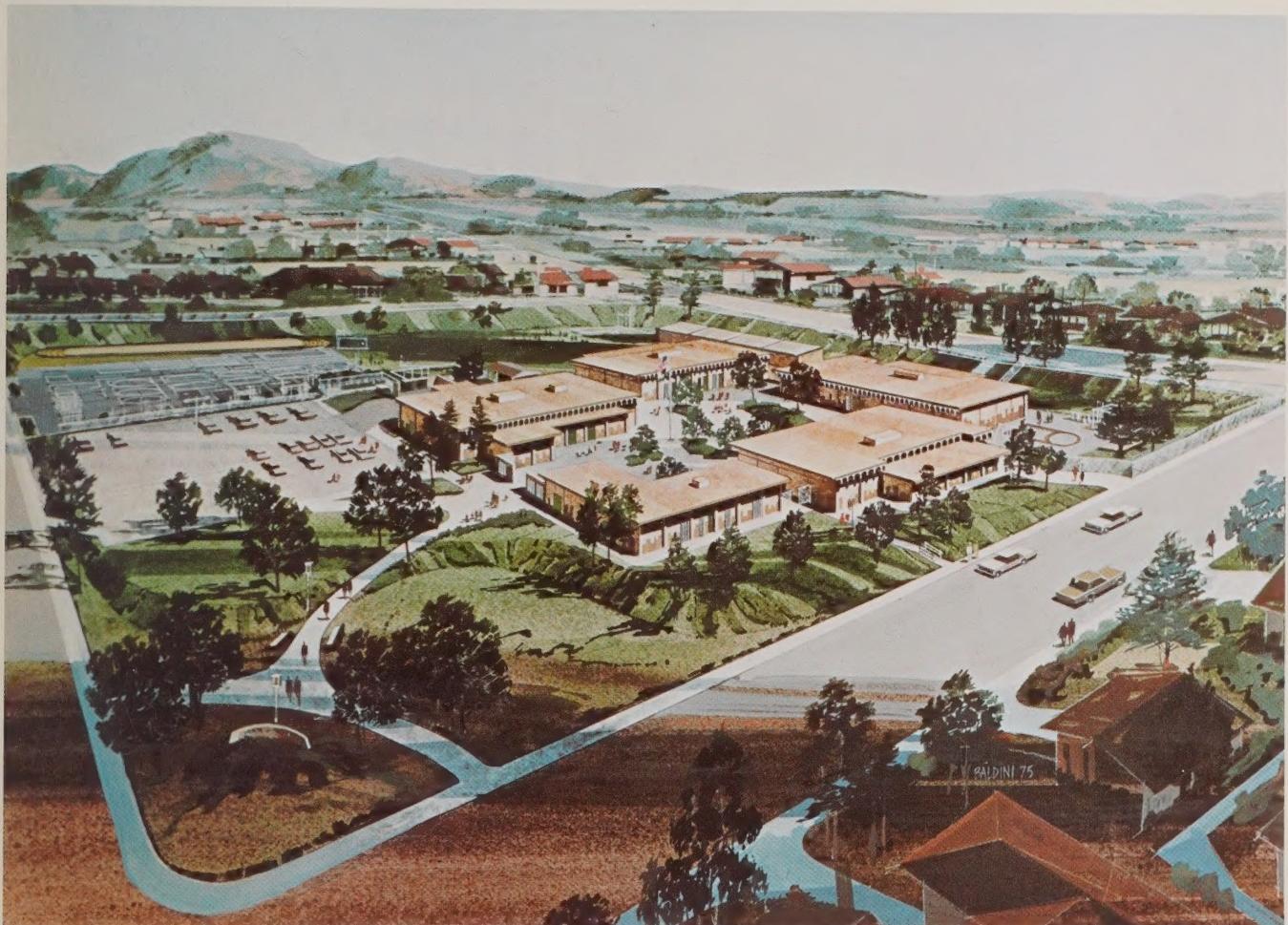


Official Statement

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San Diego Unified School District Public School Building Corporation

San Diego County, California

**\$37,250,000
Principal Amount of Bonds,
Series A**

Bids to be received by the Corporation at 10:00 A.M., Wednesday, July 9, 1975 at the San Diego Unified School District Education Center Auditorium, Room 1249, 4100 Normal Street, San Diego, California.



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OFFICIAL STATEMENT
SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION
SAN DIEGO COUNTY, CALIFORNIA
\$37,250,000 PRINCIPAL AMOUNT BONDS OF SERIES A

Miss Pauline des Granges, *President*

Mr. Charles W. Patrick, *Vice President*

Mr. Jess R. Macias, *Director*

Dr. J. J. Kimbrough, *Treasurer*

Mr. Arthur H. Marston, Jr., *Director*

Mr. Rolf Haas, *Secretary*

Mr. A. B. Polinsky, *Director*

Dr. Brage Golding, *Director*

Mr. John R. Schell, *Director*

**San Diego Unified School District
Board of Education**

Dr. Philip Halfaker, *President*

Mrs. Dorothea Edmiston, *Vice President*

Mr. Richard F. Kreile, *Member*

Mrs. Julie Fisher, *Member*

Rev. George W. Smith, *Member*

ADMINISTRATIVE STAFF

Dr. Thomas L. Goodman, *Superintendent*

Dr. Thomas A. Shannon, *Deputy Superintendent, Administration*

Dr. William H. Stegeman, *Deputy Superintendent, Operations*

Mr. Charles T. Glenn, *Assistant Superintendent, Business Services*

Dr. Harold W. Culver, *Director, Land & Facilities Planning*

Mr. Ronald Oakes, *Controller*

Mr. Ralph D. Stern, *Schools Attorney*

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PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., San Francisco
Financing Consultants

Southern California First National Bank, San Diego
Trustee

The information contained in this Official Statement was prepared under the direction of the San Diego Unified School District Public School Building Corporation by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Corporation and the San Diego Unified School District.

All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. This Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the captions "San Diego Unified School District Public School Building Corporation" and "The Bonds".

THE DATE OF THIS OFFICIAL STATEMENT IS JUNE 5, 1975

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SUMMARY OF ESSENTIAL FACTS AND ESTIMATES

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION \$37,250,000 PRINCIPAL AMOUNT BONDS OF SERIES A

Issuer and Authority for Issuance: San Diego Unified School District Public School Building Corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1 of the California Corporations Code), and an Indenture between the Corporation and Southern California First National Bank, as Trustee.

Purpose of Issue: Finance the construction of eleven elementary schools and the acquisition of two existing school buildings (Project Phase I), all of which will be leased to the San Diego Unified School District.

Issue of Bonds: \$37,250,000 principal amount of Bonds of Series A dated July 1, 1975 and maturing on July 1 in years shown below. \$8,250,000 serial bonds due 1977 through 1986 and \$29,000,000 term bonds maturing in 2000.

Maturity July 1	Principal Maturing	Maturity July 1	Principal Maturing
1977	\$ 550,000	1983	\$ 900,000
1978	600,000	1984	1,000,000
1979	650,000	1985	1,050,000
1980	700,000	1986	1,150,000
1981	800,000	2000	29,000,000
1982	850,000		

Interest: Maximum rate not to exceed 8 percent per annum, payable semiannually beginning January 1, 1976.

Time and Place of Sale: Wednesday, July 9, 1975 at 10:00 A.M. at the Education Center Auditorium, Room 1249, San Diego Unified School District, 4100 Normal Street, San Diego, California.

Payment and Registration: Southern California First National Bank (San Diego), and coupon bonds at United California Bank (Los Angeles and San Francisco), Chase Manhattan Bank National Association (New York), or Continental Illinois National Bank and Trust Company of Chicago (Chicago). Coupon bonds in \$5,000 denomination or in fully registered form interchangeable as provided in the Indenture.

Call Provisions: Bonds of Series A maturing on or before July 1, 1986 non-callable, except from proceeds of insurance or eminent domain on any date without premium. Bonds of Series A maturing on July 1, 2000, callable on or after January 1, 1987 at a maximum premium of 3.50 percent and at lesser premiums in subsequent years as specified in the Indenture.

Minimum Call of Term Bonds: Sinking fund payments to be made semiannually commencing on or before December 30, 1986 to redeem specified amounts of term bonds of Series A by July 1 in the following years:

Year Ending July 1	Term Bonds to be Redeemed	Premium	Year Ending July 1	Term Bonds to be Redeemed	Premium
1987	\$1,200,000	3.50-3.25%	1994	\$2,050,000	1.75-1.50%
1988	1,300,000	3.25-3.00	1995	2,200,000	1.50-1.25
1989	1,350,000	3.00-2.75	1996	2,400,000	1.25-1.00
1990	1,500,000	2.75-2.50	1997	2,600,000	1.00-.75
1991	1,600,000	2.50-2.25	1998	2,800,000	.75-.50
1992	1,750,000	2.25-2.00	1999	3,050,000	.50-.25
1993	1,900,000	2.00-1.75	2000	3,300,000	.25- —

Tax Exemption: In the opinion of Bond Counsel, interest on the Bonds of Series A is exempt from all present federal and State of California personal income taxes.

Legality for Investment: The Bonds of Series A are eligible to secure deposits of public funds in California under Section 53651.5 of the California Government Code. It is believed the U.S. Comptroller of Currency will issue a ruling that the Bonds of Series A are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks.

Blue Sky Memorandum: Information memorandum regarding applicability of blue-sky laws in all 50 states, District of Columbia, and Puerto Rico will be furnished to prospective purchasers.

Legal Opinion: Orrick, Herrington, Rowley & Sutcliffe, San Francisco.

Estimated Project Phase I Maximum Annual District Rent Obligations: Facility Lease between Corporation and District will require District to make semiannual base rent payments for Project Phase I facilities. Base rent payments expected to start December 15, 1976, if facilities are completed at that time, in amounts sufficient to pay principal and interest on Bonds of Series A. Assuming maximum permissible interest rate of 8 percent is bid on Bonds of Series A, District's annual base rent obligation would be \$3,552,000. Additional rent, not to exceed \$10,000 annually, also required of District to pay Corporation's administrative costs.

Security: Payment of Bonds of Series A interest and principal secured by charge upon District base rent payments. Rent payments are general fund obligations and District covenants to budget and appropriate necessary funds each year.

District voters have approved a \$0.383 per \$100 assessed valuation maximum annual tax rate increase over the period 1975/76 to 2002/03 for the purpose of purchasing school sites not then owned by the District, preparing plans and specifications, and leasing the following 22 fully furnished, equipped, and landscaped new school facilities: (1) fifteen elementary schools, (2) one junior high school, (3) two junior-senior high schools, (4) one senior high school, and (5) three career educational center additions.

District's base and additional rent obligations for Project Phase I facilities (\$3,562,000) will be met, beginning in 1976/77, from a portion (\$0.145) of the \$0.383 per \$100 assessed valuation maximum lease authorization tax approved by District voters.

The Corporation anticipates issuing, on or about October 1, 1975, approximately \$37,000,000 principal amount of Bonds of Series B to construct three secondary schools (Project Phase II) for lease to the District. Assuming an interest rate of 8 percent is bid on Bonds of Series B, District's annual maximum base rent for Project Phase II facilities would be approximately \$3,510,000, payable in semiannual installments beginning December 15, 1977.

District's base rent obligations for Project Phase II facilities (\$3,510,000) will be met, beginning in 1977/78, from an additional portion (\$0.143) of the \$0.383 per \$100 assessed valuation maximum lease authorization tax approved by District voters.

Bonds of Series A and Series B will enable the Corporation to acquire and construct 14 of the 22 schools authorized by District voters on November 5, 1974. The eight remaining schools that may be constructed include one senior high school, four elementary schools, and three career education center additions. The proposition approved by the voters on November 5, 1974 permits the District to lease less than all of the 22 schools named in the proposition, if conditions make it advisable to do so. All or only a portion of the eight remaining schools may be constructed from proceeds of subsequent series of bonds issued by the Corporation prior to November 5, 1977.

Should all of the remaining eight remaining schools be constructed for lease to the District it is anticipated that the District will levy a portion of the \$0.383 per \$100 assessed valuation maximum lease authorization tax in 1976/77 to fund estimated architect-design costs (\$2,194,000) and estimated site acquisition costs (\$2,355,000). Remaining Project costs would be funded from the issuance of approximately \$32,800,000

principal amount of Bonds of subsequent series prior to November 5, 1977. Assuming an interest rate of 8 percent is bid on Bonds of subsequent series, the District's annual maximum base rent for the eight remaining schools would be approximately \$3,128,000.

District's base rent obligations for the eight remaining schools (\$3,128,000) would be met, beginning in 1978/79, from an additional portion (\$0.118) of the \$0.383 per \$100 assessed valuation maximum lease authorization tax.

Based on the foregoing estimates, the tabulation below shows the District's estimated annual revenue requirements to lease the 22 schools approved by District voters on November 5, 1974. Based on these estimates, it is believed the voter-approved \$0.383 per \$100 assessed valuation lease authorization maximum tax rate will be sufficient to service the Corporation's Bonds of Series A (\$37,250,000), Bonds of Series B (\$37,000,000 estimated), and Bonds of subsequent series (\$32,800,000 estimated).

Fiscal Year	Projected Revenue Base ^① (\$1,000's)	Estimated Annual Revenue Requirements ^②					Estimated Tax Rate Per \$100 Revenue Base ^③
		Maximum Rent Bonds of Series A	Maximum Base Rent Bonds of Series B	(\$1,000's) Maximum Base Rent Bond of Subsequent Series	Other	Total	
1976/77	\$2,500,000	\$3,562	\$ —	\$4,549 ^④	\$ 8,111		\$0.331
1977/78	2,607,000	3,562	3,510	—	—	7,072	0.277
1978/79	2,714,000	3,562	3,510	3,128	—	10,200	0.383
1979/80	2,821,000	3,562	3,510	3,128	—	10,200	0.369
1980/81	2,928,000	3,562	3,510	3,128	—	10,200	0.355

^① Based on an increase from present revenue base at the annual rate of \$107,000,000, or approximately 50% of the average annual increase in revenue base experienced by the District from 1970/71 to 1974/75.

^② Estimated rent based on an 8 percent maximum interest rate bid on Bonds of Series A (\$37,250,000), Bonds of Series B (\$37,000,000 estimated), and Bonds of Subsequent Series (\$32,800,000 estimated).

^③ Includes allowances for a 2 percent tax collection delinquency.

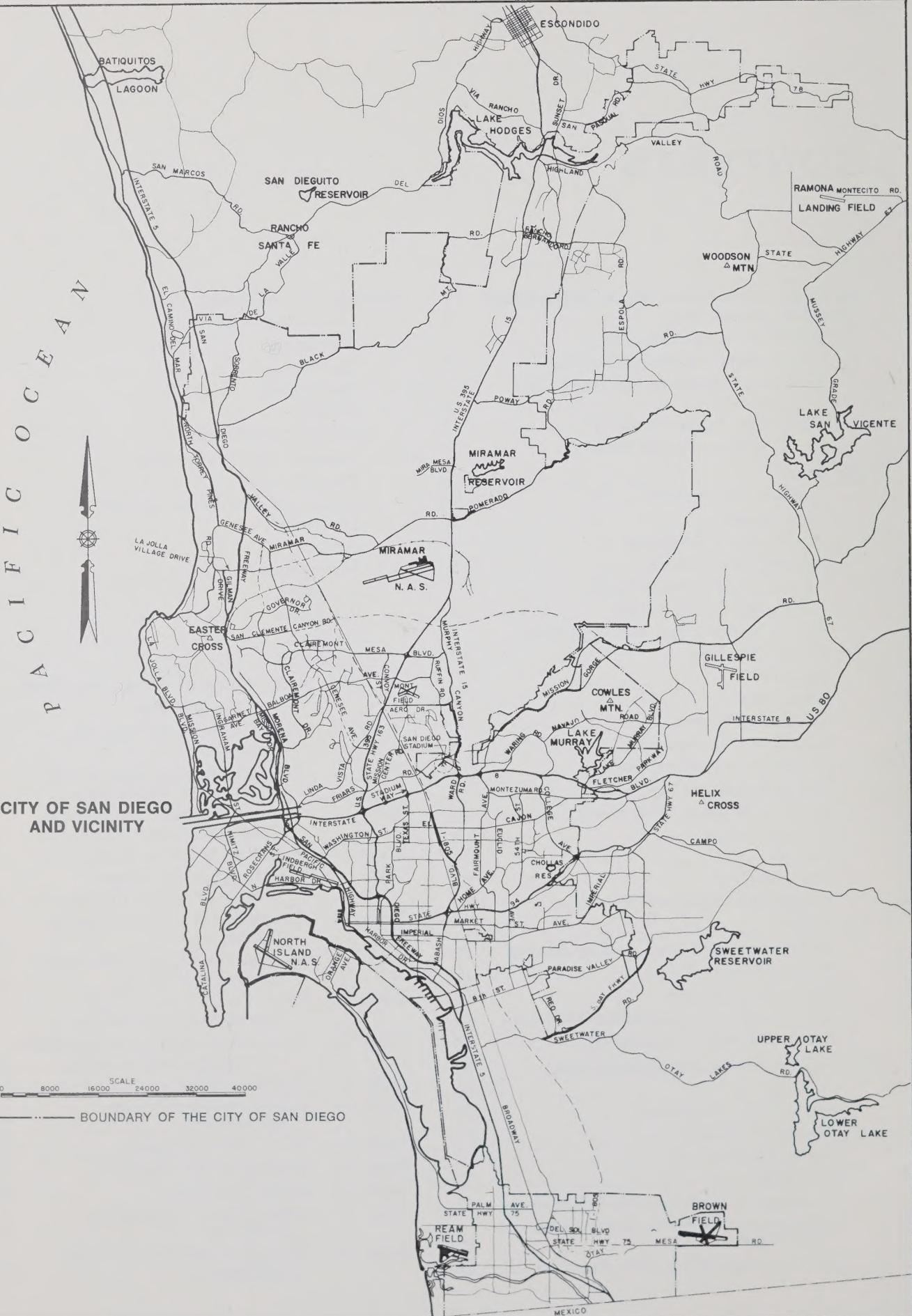
^④ Estimated architect-design fees and site acquisition costs for 8 schools that may be constructed subsequent to issuance of Bonds of Series A and Bonds of Series B.

Other Protective Provisions Bonds of Series A: (1) Reserve equal to maximum annual debt service created from bond proceeds; (2) interest funded from bond proceeds through July 1, 1976, approximately five months beyond the estimated date of occupancy of first two schools, and approximately two months beyond the estimated date of occupancy of all eleven Project Phase I schools by the District; (3) firm construction bids have been received with 100% faithful performance and 100% labor and materialmens' bonds; (4) insurance protection includes fire and extended coverage for not less than full replacement cost of the facilities or sufficient to pay Bonds, subject to a deductible clause not to exceed \$100,000 for any one loss; earthquake insurance after completion, if such insurance is available at reasonable cost on the open market from reputable insurance companies, for not less than full replacement cost of the facilities or sufficient to pay Bonds, subject to a deductible clause not to exceed 10 percent of replacement cost for any one loss and a co-insurance clause of not less than 80 percent; rental interruption insurance equal to time required to construct structure plus three months, less a 30-day deductible; public liability and property damage insurance; and a policy of title insurance in the amount of the Bonds insuring the Corporation's interest in the site upon which facilities are to be located.

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A C I F I C O C E A V



SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION

Organization and Membership

The San Diego Unified School District Public School Building Corporation, herein referred to as the "Corporation", was formed in December, 1974, as a nonprofit corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1, of the California Corporations Code). The purpose of the Corporation is to provide financial assistance to the San Diego Unified School District, San Diego County, California, herein referred to as the "District", by financing the acquisition, construction, improvement and remodeling of public school buildings and facilities for the District.

The Corporation functions as an independent entity and its policies are determined by a nine-member Board of Directors who are prominent community leaders and residents of the District. The members of the Board of Directors, who serve without compensation, are:

President: Pauline des Granges, Park and Recreation Director of the City of San Diego (1972-1974). Miss des Granges, an active participant in park and recreation professional organizations at the local, state and national levels, has served as: Director, American Park and Recreation Society; President, California Recreation Society; President, Recreation Department, League of California Cities; and delegate to the President's National Conference on Youth Fitness and White House Conference on Children and Youth.

Vice President: Charles W. Patrick, Deputy Superintendent of the San Diego Community College District (1971-1974). Mr. Patrick served as a member of the President's National Advisory Council on Vocational Education; Commissioner, California Apprenticeship Council; President, National Council of Local Administrators of Vocational Education; and member of the Board of Directors of the American Technical Education Association.

Treasurer: Dr. J. J. Kimbrough, Past President and Secretary of the California State Board of Dental Examiners. Dr. Kimbrough has served as: President, San Diego Urban League; President, San Diego Branch of the N.A.A.C.P.; and a member of the Board of Directors of the Community Welfare Council, Downtown City Y.M.C.A., San Diego County Dental Society, and California Children's Home Society.

Secretary: Rolf Haas, insurance agent, long active in civic affairs, served on the Executive Board of the San Diego/Imperial Counties Labor Council, AFL-CIO and the Civil Service Commission, City of San Diego. Mr. Haas has also served as: President, Family Association of San Diego; and Chairman, Scenic Highways Element, San Diego County Planning Commission.

Director: Dr. Brage Golding, President, San Diego State University. Dr. Golding previously served as Founding President, Wright State University (Dayton, Ohio); Vice President, The Ohio State University; Vice President, Miami University; Head, School of Chemical Engineering, Purdue University; and Director of Research, Lilly Industrial Coatings Co.

Director: Jess. R. Macias, Group Engineer, Teledyne Ryan Corporation. Mr. Macias is serving the National Alliance of Businessmen in developing programs to increase job opportunities for minorities in San Diego. Mr. Macias holds the offices of President of the Spanish Speaking Political Association and President of Amigos de SERS. In educational matters, Mr. Macias has served on the San Diego Diocesan Board of Education and the University High School's Advisory Committee on Compensatory Education.

Director: Arthur H. Marston, Jr., Vice President, Broadway Department Stores. Mr. Marston, a San Diego merchant since 1932, has served as President of San Diegans, Inc., a citizens' planning organization involved in the rehabilitation of the San Diego central business district; and Director, San Diego Chamber of Commerce.

Director: A. B. Polinsky, Chairman of the Board, Coca-Cola Bottling Company of San Diego. Mr. Polinsky has served as Chairman of the Board of the Greater San Diego Sports Association and founding director of the San Diego All American Stadium Committee, Inc. Organizations in which Mr. Polinsky has been a leading participant include: the San Diego Chamber of Commerce; N.A.A.C.P.; United Jewish Federation; National Alliance of Businessmen; United Community Fund; and School Bond Election Committees.

Director: John R. Schell, attorney, partner in the San Diego law firm of Glenn, Wright, Jacobs & Schell. Mr. Schell has served as Assistant United States Attorney of Los Angeles and San Diego;

and, Arbitrator, Construction Industry Panel, American Arbitration Association.

Certain Powers of the Corporation

The powers of the Corporation are vested in, and exercised by, a majority of its directors. Under its Articles of Incorporation, the Corporation has all powers conferred upon nonprofit corporations by the laws of the State of California including the following:

(a) To borrow money and issue bonds, debentures, notes and other evidences of indebtedness, and to secure the payment of performance of its obligations by pledge, mortgage, transfer in trust or otherwise;

(b) To acquire, by purchase, exchange, lease, gift, devise, bequest or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, exchange, convey or otherwise dispose of real and personal property; and

(c) To assume any obligations, enter into any contracts and other instruments and do any and all things incidental to or expedient for the attainment of its corporate purposes or the issuance and sale of its securities.

Financing Procedures and Basic Legal Documents

On November 5, 1974 voters of the District, by a vote of 111,601 to 88,345 (55.8%), approved an increase of \$0.383 per \$100 assessed valuation in the District's maximum tax rate over the period 1975/76 to 2002/03 for the purpose of purchasing school sites not then owned by the District, preparing plans and specifications, and leasing the following fully furnished, equipped, and landscaped new school facilities: (1) fifteen elementary schools, (2) one junior high school, (3) two junior-senior high schools, (4) one senior high school, and (5) three career education center additions. To finance the acquisition and construction of the facilities to be leased to the District, the Corporation will issue bonds in several series prior to November 4, 1977.

Proceeds from the sale of the \$37,250,000 principal amount of the Corporation's Bonds of Series A currently being offered will be used to acquire and construct eleven elementary schools on sites that are to be leased to the Corporation pursuant to provisions of a Site Lease, the principal provisions of which are summarized in the "Site Lease" head-

ing of this section of the Official Statement. The eleven elementary schools, herein referred to as "Project Phase I", and the application of proceeds from the sale of the Bonds of Series A are described in "The Project" section of this Official Statement.

The \$37,250,000 principal amount of the Corporation's Bonds of Series A will be issued pursuant to an indenture dated July 1, 1975, herein referred to as the "Indenture", between the Corporation and Southern California First National Bank, San Diego, California, as Trustee. The Indenture, approved as to preliminary form by the Corporation on June 5, 1975, will be executed prior to the delivery of the Bonds of Series A. Bonds of Series A and a summary of certain provisions of the Indenture are discussed in "The Bonds" section of this Official Statement. For complete details of provisions of the Indenture, prospective purchasers of the Bonds of Series A are referred to the complete text of the proposed form of Indenture included with the Basic Legal Documents accompanying the distribution of this Official Statement.

The Corporation will lease back the eleven elementary schools, the two existing classroom buildings to be acquired by the Corporation, and the sites to the District pursuant to provisions of a Facility Lease, the principal provisions of which are summarized in the "Facility Lease" heading of this section of the Official Statement.

It is anticipated that the Corporation will offer for sale in October 1975 Bonds of Series B in an approximate principal amount of \$37,000,000 to construct "Project Phase II" consisting of one junior high school and two junior-senior high schools. The remaining voter-approved four elementary schools, senior high school, and three career-education center additions are expected to be financed by subsequent series of bonds issued by the Corporation prior to November 4, 1977.

Site Lease (Project Phase I)

The Project Phase I Site Lease, herein referred to as the "Site Lease", has been approved as to preliminary form by the Corporation. The Site Lease will be dated July 1, 1975 and will be executed prior to the delivery of the Bonds of Series A.

Pursuant to the Site Lease, the District will lease to the Corporation, at an annual rate of \$1.00, the real properties (Demised Premises) upon which the Project Phase I facilities are to be constructed. The Corporation shall use the Demised Premises solely

for the purpose of: (1) acquiring and constructing Project Phase I facilities thereon, and (2) leasing back to the District the Demised Premises and the facilities thereon pursuant to the Facility Lease.

Term. The term of the Site Lease shall start on the date of its recordation in the office of the County Recorder of San Diego County, State of California, or on December 1, 1975, whichever is earlier. The term of the Site Lease shall end on December 1, 2000, unless earlier terminated. If prior to December 1, 2000, all of the Bonds of Series A shall have been retired, the Site Lease shall be terminated ten days thereafter (the final maturity of the Bonds of Series A is July 1, 2000).

Title to Sites: Quiet Enjoyment. The District will own the sites for Project Phase I at the time the Bonds of Series A are delivered. All or portions of three of the Project Phase I sites were acquired by the District from the United States of America pursuant to deeds which reserve in the United States of America a right of reverter if the District breaches terms and conditions set forth in the deeds: (1) the sites must be continuously used for education purposes; (2) the District must comply with Title VI of the Civil Rights Act of 1964 (no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination); (3) the District must receive permission from the United States of America to sell, lease, mortgage, encumber, or otherwise dispose of the sites; and (4) the District must file annual reports to the United States of America relative to its compliance with conditions set forth in the deeds. The District will covenant in the Site Lease to comply with these terms and conditions contained in the deeds. The District will further agree in the Site Lease that if at any time it is unable to comply with the terms and conditions of any said deeds, it will pay to the United States of America any amounts necessary to obtain a surrender and release of said terms and conditions, and it will use its best efforts to obtain such surrender and release.

Eminent Domain Proceedings. In the event all or any part of the Demised Premises or the Project Phase I improvements thereon are taken by eminent domain proceedings, the interests of the Corporation shall be recognized in the amount of the then unpaid indebtedness incurred by the Corporation to acquire and construct Project Phase I, including interest thereon and all other payments required to be made

by, or to, the Trustee under the Indenture securing the Bonds of Series A.

Termination and Disposition of Project. Upon the termination of the Site Lease, the Corporation agrees to surrender to the District the Demised Premises and title to the permanent structures and improvements existing thereon.

For additional details of the Site Lease, prospective purchasers of the Bonds of Series A are referred to the complete text of the proposed form of Site Lease included in the Basic Legal Documents accompanying the distribution of this Official Statement.

Facility Lease (Project Phase I)

The Project Phase I Facility Lease, herein referred to as the "Facility Lease," has been approved as to preliminary form by the Corporation. The Facility Lease will be dated July 1, 1975 and will be executed prior to the delivery of the Bonds of Series A. The Corporation will lease to the District the Demised Premises, the Project Phase I facilities constructed thereon pursuant to provisions of the Facility Lease described below, and the existing privately-owned public school buildings located on the site of the Tierrasanta Elementary School to be purchased by the Corporation from the proceeds of the Bonds of Series A.

Term. The term of the Facility Lease shall start on the date of its recordation in the office of the County Recorder of San Diego County, State of California, or on December 1, 1975, whichever is earlier. The term of the Facility Lease shall end on November 30, 2000 unless earlier terminated. If prior to November 30, 2000, all of the Bonds of Series A shall have been retired, the Facility Lease shall terminate ten days thereafter (the final maturity of the Bonds of Series A is July 1, 2000).

Construction of Facilities. The District has obtained competitive bids for the construction of Project Phase I facilities at a cost of \$26,157,338. Concurrent with the execution, delivery and recordation of the Facility Lease, the Corporation will enter into contracts with the lowest responsible bidders for construction of Project Phase I facilities in accordance with plans and specifications previously approved by the District and the State Office of Architecture and Construction.

Commencement of Rent. It is contemplated that the District will take possession of the Demised

Premises and the Project Phase I facilities on or before December 1, 1976 and the first semiannual payment of rental shall be due on December 15, 1976. The District may take possession of the Demised Premises and the Project Phase I facilities prior to December 1, 1976 if completed prior to that date. If for any reason the Corporation is not able to deliver possession of the Demised Premises and the Project Phase I facilities, or any part thereof, to the District by December 1, 1976, the Facility Lease shall not be void nor the Corporation liable to the District for any resulting loss or damage; but in that event, the rental payable by the District shall be abated based on the proportion the construction cost of the incompletely portion or portions of the Project Phase I facilities bears to the total acquisition and construction cost of the Project Phase I facilities.

Base Rental. For the use and occupancy of the Demised Premises and the Project, the District agrees to pay the Corporation a base rental, semi-annually beginning on December 15, 1976 and each succeeding June 15 and December 15 up to and including June 15, 2000 unless the Facility Lease has been earlier terminated. The amount of base rental shall be in amounts sufficient to meet payments of interest, principal, and premium, if any on the Corporation's Bonds of Series A as they become due. The actual base rental obligation of the District will be determined following the sale of the Bonds of Series A.

Additional Rent. The District is also required to pay to the Corporation additional rental, in an amount not to exceed \$10,000 annually, to meet administrative costs of the Corporation attributable to Project Phase I and the Corporation's Bonds of Series A.

District Provision of Rental. The District covenants to include all base rental and additional rental payments in its annual budget and to make the necessary annual appropriations for all such payments. The Corporation and the Trustee will be furnished copies of each proposed and final budget of the District within ten days after the filing or adoption thereof.

Abatement of Rental. Rental shall be abated during any period in which there is substantial interference with the District's use and occupancy of the Demised Premises and the Project Phase I facilities due to damage or destruction. The abatement of District rental shall be based on the proportion of initial costs of the unuseable portion or portions of

the Project Phase I facilities to the total initial cost of Project Phase I facilities.

Insurance. The District is required to obtain and maintain throughout the term of the Facility Lease various insurance coverages including fire and extended coverage, earthquake (after completion of construction and if available at reasonable cost on the open market from reputable insurance companies), public liability and property damage, and rental or use and occupancy insurance. The major features of these types and amounts of insurance coverages are discussed under the heading "The Indenture" in "The Bonds" section of this Official Statement.

Maintenance, Utilities, Taxes and Assessments. The District shall be responsible for the maintenance and repair of the Demised Premises and the Project while in possession, and shall pay or arrange for the payment of such costs, as well as utilities, and taxes and assessments throughout the term of the Facility Lease.

Eminent Domain Proceedings. In the event the Project Phase I facilities are permanently taken under the power of eminent domain, the Facility Lease shall terminate. In the event less than all of the Project Phase I facilities are taken under the power of eminent domain, the Facility Lease shall continue in full force and there shall be a partial abatement of rent to be agreed upon by the District and the Corporation; however, in no event shall the rental payable by the District be less than the amount required for the retirement of the Bonds of Series A and payment of interest thereon as such bonds and interest become due.

Option to Purchase. The District shall have the option to purchase the Corporation's interest in any part of the Project Phase I facilities upon payment of an option price equal to the aggregate amount for the entire remaining term of the lease of the part of the total rental attributable to such part of the Project Phase I facilities (determined by reference to the proportion which the acquisition and construction cost of such part of the Project Phase I facilities bears to the acquisition and construction cost of all of the Project Phase I facilities).

Default By District. Should the District default and fail to remedy any default, the Corporation has the right to terminate the Facility Lease and re-enter the premises, or without terminating the Facility Lease, re-enter and relet Project Phase I facilities as the agent of and for the account of the District.

Termination and Disposition of Project. Upon termination of the Facility Lease, the Corporation agrees to surrender to the District the Demised Premises and title to permanent improvements thereon.

The foregoing summary discussion of selected features contained in the proposed form of Facility Lease are made subject to all of the provisions of the proposed form of Facility Lease. This summary does not purport to be a complete statement of such provisions and reference is made to the proposed form of Facility Lease which is included as part of the legal documents accompanying this Official Statement.

THE BONDS

Authority for Issuance

The \$37,250,000 principal amount of San Diego Unified School District Public School Building Corporation Bonds of Series A, herein referred to as the "Bonds of Series A," are to be issued pursuant to the General Non-Profit Corporation Law of the State of California (Title 1, Division 2, Part 1 of the California Corporations Code) and a certain indenture dated July 1, 1975, herein referred to as "the Indenture", to be entered into between the Corporation and Southern California First National Bank, as Trustee. The Bonds of Series A will be secured under provisions of the Indenture, a copy of the proposed form of which is included in the Basic Legal Documents which accompany this Official Statement.

Terms of Sale

Bids for the purchase of the \$37,250,000 principal amount of Bonds of Series A will be received by the Corporation at 10:00 A.M., Wednesday, July 9, 1975, at the San Diego Unified School District Education Center Auditorium, Room 1249, 4100 Normal Street, San Diego, California, 92103. Details of the terms of sale are included in the Official Notice of Sale adopted by the Board of Directors of the Corporation on June 5, 1975.

Description of the Bonds

The Bonds of Series A will be dated July 1, 1975 and will bear interest, at a rate not to exceed 8 percent per annum, from their date, payable on January 1, 1976 and each succeeding July 1 and January 1. The Bonds of Series A will mature on July 1 in each of the years in the designated principal amounts as shown in Table 1.

The \$29,000,000 principal amount of Bonds of Series A maturing on July 1, 2000 are term bonds and mandatory sinking fund payments are provided for beginning in 1986 to assure payment of term bonds at or prior to maturity.

Table 1
SAN DIEGO UNIFIED SCHOOL DISTRICT
PUBLIC SCHOOL BUILDING CORPORATION
Bonds of Series A
Principal Maturities

Maturity Date July 1	Principal Amount
1977	\$ 550,000
1978	600,000
1979	650,000
1980	700,000
1981	800,000
1982	850,000
1983	900,000
1984	1,000,000
1985	1,050,000
1986	1,150,000
2000	29,000,000

Redemption Provisions

The Corporation shall have the right, on any date, to redeem Bonds of Series A as a whole, or in part by lot within each maturity then outstanding, from proceeds of insurance paid for loss or substantial damage to the Project Phase I facilities or proceeds of eminent domain proceedings, at the principal amount and accrued interest thereon to the date fixed for redemption, without premium.

Bonds of Series A maturing on or before July 1, 1986, an aggregate principal amount of \$8,250,000, shall not otherwise be subject to redemption prior to their respective maturity dates.

Bonds of Series A maturing on July 1, 2000 are also subject to redemption prior to their maturity date, at the option of the Corporation, as a whole, or in part by lot, from any source of available funds on any interest payment date on or after January 1, 1987 at the principal amount and accrued interest to the date of redemption, plus a premium of one-fourth of one percent of such principal amount for each whole year, or fraction of a year, between the date of redemption and July 1, 2000. The maximum premium shall not exceed 3.50 percent of such principal amount.

Minimum Call of Term Bonds

To provide for the payment of term bonds maturing July 1, 2000, the Indenture will provide that the Trustee shall deposit in the Principal Fund in the Series A Sinking Fund Account, on or before June 30 and December 30 of each year (beginning December 30, 1986) revenues in an amount equal to one-half of the amount required to call and redeem Bonds of Series A, including premiums thereon, if any, in the stated principal amounts shown in the following tabulation.

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION Minimum Call and Redemption of Term Bonds

Year Ending July 1	Principal Amount of Term Bonds to Be Redeemed	Premium	
		January 1	July 1
1987	\$1,200,000	3.50%	3.25%
1988	1,300,000	3.25	3.00
1989	1,350,000	3.00	2.75
1990	1,500,000	2.75	2.50
1991	1,600,000	2.50	2.25
1992	1,750,000	2.25	2.00
1993	1,900,000	2.00	1.75
1994	2,050,000	1.75	1.50
1995	2,200,000	1.50	1.25
1996	2,400,000	1.25	1.00
1997	2,600,000	1.00	.75
1998	2,800,000	.75	.50
1999	3,050,000	.50	.25
2000	3,300,000	.25	—

Trustee and Paying Agents

The Southern California First National Bank, San Diego, California, has been appointed by the Corporation as Trustee. The Trustee will receive all of the bond proceeds and will disburse bond moneys in conformity with the Indenture. In addition to holding and administering the various funds of the Corporation, the Trustee will invest the funds held in trust and will be the recipient of the rental revenues of the Corporation relating to the Project Phase I. The Trustee will also act as Paying Agent of the Corporation, paying bond interest and principal. The Trustee will act as bond registrar and will authenticate all registered bonds.

Interest and principal are payable at the San Diego, California principal office of Southern California First National Bank, the Trustee; or in the case of coupon bonds at the option of the holder at the principal office of United California Bank in Los Angeles, California; the principal office of United California Bank in San Francisco, California; the principal office of Chase Manhattan Bank N.A. in New York, New York; or the office of Continental Illinois National Bank and Trust Co., Chicago, Illinois.

Form, Denomination, and Registration

The Bonds of Series A will be issued as coupon bonds in the denomination of \$5,000, or as fully registered bonds in the denomination of \$5,000 or any multiple thereof so long as principal shall mature in only one year. Coupon bonds and fully registered bonds will be interchangeable at the office of the Trustee as provided for in the Indenture.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Bonds of Series A but neither failure to print such numbers on any Bond of Series A nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds of Series A in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds of Series A shall be paid by the Corporation.

Litigation

There is no litigation pending concerning the validity of the Bonds, and the Corporation will furnish to the successful bidder a no-litigation certificate certifying to the foregoing at the time of the delivery of the Bonds of Series A.

The present California system of levying taxes and applying funds for public school purposes has been held unconstitutional under provisions of the California Constitution by a California Superior Court in *Serrano v. Priest*, and an appeal is pending before the California Supreme Court. The Superior Court judgment provides that the existing system of financing schools shall continue to operate for a reasonable length of time (not to exceed six years) so that a constitutional system can be placed into operation.

The outcome of this litigation, any resulting change in the sources of funds, including property taxation, applied to the support of public schools and any effect thereof on the moneys available to the District to pay rent under the Facility Lease which is the security on the Bonds of Series A are not determinable at this time. However, it is not believed that such litigation will affect the validity of the Facility Lease during its term, even though such litigation may affect the ability of the District to levy the voted tax override.

In 1967, a suit seeking to racially balance the schools in the District was filed. The trial court recently limited the issues in the case, which is presently scheduled for trial this fall, to a determination of whether or not the District engaged in intentional racial discrimination.

Legal Opinion

The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel to the Corporation, approving the validity of the Bonds of Series A, will be furnished to the purchasers without charge at the time of the original delivery of the Bonds of Series A. A copy of the legal opinion will be printed on each bond. See the concluding paragraph of the title page of this Official Statement regarding the scope of bond counsel's review of this Official Statement.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds will be exempt from all present Federal income taxes under existing statutes, regulations, and court decisions, and the bonds will be exempt from all taxation in California other than inheritance, estate, gift and franchise taxes.

Legality for Investment

The Bonds of Series A are eligible for security for deposits of public moneys in California.

Eligibility for National Banks

A request is being made to the Comptroller of the Currency for a ruling that Bonds of Series A of the Corporation are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Bonds of Series A.

Sale of Bonds in California

The Division of Corporation Finance of the United States Securities and Exchange Commission has issued a "no-action" letter to the Corporation stating that the Division of Corporation Finance will not recommend any action to the Securities and Exchange Commission if the proposed bond offering is made without prior compliance with the registration requirements of the Securities Act of 1933 or qualification of the Indenture under which the Bonds of Series A are to be issued under the Trust Indenture Act of 1939. The Commissioner of Corporations of the State of California has issued an interpretive opinion stating that the Bonds of Series A are exempt from the qualification requirement of Section 25110 of the California Corporate Securities Law of 1968. The Bonds of Series A are being offered and sold without registration under the Securities Act of 1933 or qualification of the Indenture under the Trust Indenture Act of 1939, and without qualification under the California Corporate Securities Law of 1968, in reliance upon such "no-action" letter and such interpretive opinion.

Resale of Bonds in Other States

The Corporation will furnish to prospective purchasers an information memorandum covering applicability of blue-sky laws in all 50 states, the District of Columbia and Puerto Rico. The memorandum will indicate states in which no action is believed necessary to qualify the Bonds of Series A for offer and sale, states in which the Corporation is taking action to qualify the Bonds of Series A for offer and sale or to obtain exemptions, and states in which additional action is believed necessary to qualify the Bonds of Series A for offer and sale. The purchaser will assume responsibility for any required permits and/or filing fees in states in which additional action is believed necessary, and for complying with the laws of all jurisdictions on resale of the Bonds of Series A, and shall indemnify and hold harmless the Corporation and its officers and directors from any loss or damage resulting from any failure to comply with any such law.

Purpose of Issue

The Bonds of Series A are to be issued to finance the construction of eleven elementary public schools and related facilities and the acquisition of two existing classroom buildings on the site of one

of the new elementary schools ("Project Phase I"), all for lease to the San Diego Unified School District, San Diego County, California, as more fully described in "The Project" section of this Official Statement.

Security

The Bonds of Series A will be valid, binding, and legal general obligations of the Corporation secured under the Indenture by the assignment, transfer in trust, transfer of security interest in, and pledge of the trust estate, including the following, to the Southern California First National Bank, San Diego, California, as Trustee:

- (1) The leasehold estate of the Corporation in real property under the Site Lease (Project Phase I) between the District, as lessor and the Corporation, as lessee, subject as to three of the eleven parcels to rights of reverter reserved by the United States of America in deeds of all or a portion of these parcels to the District;
- (2) All rights, title, and interest of the Corporation under the Facility Lease (Project Phase I) between the Corporation, as lessor and the District, as lessee; and
- (3) All of the revenues derived by the Corporation from the use and operation of the Project Phase I to be acquired and constructed pursuant to the Site and Facility Leases.

Bonds of Series A principal and interest coming due each year will be payable from semiannual base rental payments to be made by the District for use of the Project Phase I facilities. The District's annual base rental specified in the Facility Lease will be in an amount sufficient to pay principal and interest on the Bonds of Series A. Based on the maximum interest rate of 8 percent that may be bid on the Bonds of Series A, the District's maximum annual base rent would be \$3,552,000. The exact amount of the semiannual base rental payment payable by the District will be established subsequent to the determination of the interest rates the Bonds of Series A will bear.

Under provisions of the Facility Lease, the District will also be obligated to pay to the Corporation additional rent, not to exceed \$10,000 annually, to meet administrative costs of the Corporation attributable to the Bonds of Series A.

Authorized District Tax Rate Increase. At a District-wide election held on November 5, 1974, voters of the District approved Proposition XX which authorized an increase of \$0.383 per \$100 assessed valuation in the District's maximum tax rate limit, over the period 1975/76 to 2002/03, for the purposes of: (1) acquiring school sites not then owned by the District, (2) preparing plans and specifications, and (3) leasing 22 fully furnished, equipped and landscaped public school buildings. Proposition XX also reserved to the District the right to lease less than all of the 22 public school buildings if circumstances so require.

Projected Revenue Base. The District's maximum annual base rent payable to the Corporation in semiannual installments beginning December 15, 1976 (fiscal year 1976/77) is estimated at \$3,552,000, assuming an interest rate of 8 percent is bid on the Bonds of Series A. The District's lease authorization tax will be levied beginning in fiscal year 1976/77 in an amount sufficient to pay base rent obligations, and additional rent obligations not to exceed \$10,000 annually, pursuant to the Facility Lease (Project Phase I).

Over the five-year period 1970/71 through 1974/75, the District's assessed valuations for revenue purposes increased from \$1,430,792,171 to \$2,286,411,268, or at an annual average increase of approximately \$213,904,774. If the District's assessed valuation for revenue purposes should increase at the rate of approximately 50 percent of the annual average increase experienced over the five-year period 1970/71 through 1974/75 (\$106,952,-387), the District's projected assessed valuation for revenue purposes for the five-year period beginning in 1976/77 (the first year in which the lease authorization tax will be levied to pay Project Phase I rent obligations) would be as shown in the tabulation below.

Fiscal Year	Projected Assessed Valuation For Revenue Purposes
1976/77	\$2,500,000,000
1977/78	2,607,000,000
1978/79	2,714,000,000
1979/80	2,821,000,000
1980/81	2,928,000,000

Projected Project Phase I Rental Tax Rate. As previously stated, the District is empowered to levy the lease authorization tax at a rate not to exceed \$0.383 per \$100 assessed valuation over the period 1975/76 to 2002/03. It is estimated that the maximum annual rental for Project Phase I facilities will be \$3,562,000 consisting of \$3,552,000 base rent plus \$10,000 additional rent. The tabulation below shows the estimated portion of the \$0.383 per \$100 assessed valuation lease authorization tax which would be required to generate funds to meet annual maximum rent payments for Project Phase I facilities.

Fiscal Year	Projected Revenue Base ^① (\$1000's)	Project Phase I Maximum Annual Rent ^② (\$1,000's)	Estimated Tax Rate Per \$100 Revenue Base ^③
1976/77	\$2,500,000	\$3,562	\$0.145
1977/78	2,607,000	3,562	0.139
1978/79	2,714,000	3,562	0.134
1979/80	2,821,000	3,562	0.129
1980/81	2,928,000	3,562	0.124

① Based on an increase from present revenue base at the annual rate of \$107,000,000, or approximately 50% of the average annual increase in revenue base experienced by District from 1970/71 to 1974/75.

② Based on maximum permitted interest rate of 8 percent on the Bonds of Series A.

③ Includes allowances for a two percent tax collection delinquency.

Additional Bonds of Series B. On or about October 1, 1975, it is anticipated the Corporation will issue Bonds of Series B to construct three secondary schools (Project Phase II). The estimated costs of these facilities are: (1) site development and construction (\$25,713,000), (2) architects fees (\$1,430,000), and (3) construction management fees (\$552,000). To provide for these costs, construction cost contingencies at the rate of 5 percent, the costs of bond issuance and insurance, funded interest during construction, and the funding of a bond service reserve equal to maximum annual debt service, it is believed that the principal amount of the Bonds of Series B to be issued on or about October 1, 1975 will approximate \$37,000,000.

It is anticipated that the Project Phase II facilities will be completed for the District's use and

occupancy on or prior to October 1, 1976. Assuming an interest rate of 8 percent is bid on the Bonds of Series B, it is estimated that the base rental obligation of the District for Project Phase II facilities will approximate \$3,510,000 annually beginning in 1977/78 through 1999/2000.

The tabulation below shows the estimated portion of the \$0.383 per \$100 assessed valuation lease authorization tax which would be required to generate funds to pay the District's annual maximum rent payments for both Project Phase I and Project Phase II facilities.

Fiscal Year	Projected Revenue Base ^① (\$1,000's)	Project Phases I and II Maximum Annual Rent ^② (\$1,000's)	Estimated Tax Rate Per \$100 Revenue Base ^③
1976/77	\$2,500,000	\$3,562	\$0.145
1977/78	2,607,000	7,072	0.277
1978/79	2,714,000	7,072	0.266
1979/80	2,821,000	7,072	0.256
1980/81	2,928,000	7,072	0.246

① Based on an increase from present revenue base at the annual rate of \$107,000,000, or approximately 50% of the average annual increase in revenue base experienced by District from 1970/71 to 1974/75.

② Based on maximum permitted interest rate of 8 percent bid on the \$37,250,000 principal amount of Bonds of Series A and assuming a bid of 8 percent is bid on the estimated \$37,000,000 principal amount of Bonds of Series B.

③ Includes allowances for a two percent tax collection delinquency.

Subsequent Series of Bonds. Bonds of Series A and Bonds of Series B will be issued to acquire and construct 14 of the 22 schools authorized by District voters on November 5, 1974. The eight remaining schools that may be constructed include one senior high school, four elementary schools, and three career education center additions. The proposition approved by the voters on November 5, 1974 permits the District to lease less than the 22 schools named in the proposition, if conditions make it advisable to do so. All or only a portion of the eight remaining schools may be constructed for lease to the District from proceeds of subsequent series of bonds issued by the Corporation prior to November 5, 1977. Should all of the remaining eight schools be constructed, it is estimated that District occu-

pancy would occur on or about September, 1978. Under this circumstance the District would levy a portion of the \$0.383 per \$100 assessed valuation lease authorization tax in 1978/79 to provide funds to pay base rental obligations for use and occupancy of the eight remaining schools.

The estimated cost of the eight remaining schools that may be constructed are: (1) site acquisition (\$2,355,000), (2) architect and design costs (\$2,194,000), and (3) site development and construction (\$25,850,000). These cost estimates include an inflation factor at the rate of approximately 18 percent per year from the date of initial cost estimate to the estimated start of construction.

It is anticipated that the District will levy a portion of the authorized lease tax of \$0.383 per \$100 assessed valuation in 1976/77 to generate funds to pay architect-design costs (\$2,194,000), and site acquisition costs (\$2,355,000) for the eight remaining schools. Site development and construction costs of \$25,850,000, funded interest during construction, construction contingencies of 5 percent, costs of bond issuance, and the funding of a bond service reserve equal to maximum annual debt service would be funded from a subsequent series of bonds in the estimated principal amount of \$32,800,000.

The estimated maximum annual base rental for a subsequent series of bonds in the principal amount of \$32,800,000 would be approximately \$3,128,000, assuming a bid of 8 percent interest on the bonds.

The tabulation below shows estimated tax rates required to fund estimated maximum annual base rentals payable by the District that would result from the issuance of \$37,250,000 principal amount of Bonds of Series A, an estimated \$37,000,000 principal amount of Bonds of Series B, and an estimated \$32,800,000 principal amount of subsequent series of Bonds. These data also include the estimated tax rate in 1976/77 required to produce funds to pay estimated site acquisition costs (\$2,355,000) and architect-design costs (\$2,194,000) for the remaining eight schools that may be constructed for use and occupancy by the District following the issuance of the Bonds of Series A and Bonds of Series B.

These data indicate that the \$0.383 per \$100 assessed valuation voter approved maximum lease tax authorization will be sufficient to meet the estimated rental obligations of the District if the District were to lease all of the 22 schools designated in Proposition XX approved by District voters on November 5, 1974. These data are based on the following assumptions and estimates: (1) estimated Project Phase I acquisition and construction costs as bid, (2) costs of Project Phase II and subsequent Project Phase(s) as presently estimated, (3) an annual increase in the District's projected revenue base equal to approximately 50 percent of the average annual increase in revenue base experienced by the District from 1970/71 through 1974/75,

Fiscal Year	Projected Revenue Base ^① (\$1,000's)	Estimated Annual Revenue Requirements ^② (\$1,000's)					Estimated Tax Rate Per \$100 Revenue Base ^③
		Maximum Rent Bonds of Series A	Maximum Base Rent Bonds of Series B	Maximum Base Rent Bonds of Subsequent Series	Other	Total	
1976/77	\$2,500,000	\$3,562	\$ —	\$ —	\$4,549 ^④	\$ 8,111	\$0.331
1977/78	2,607,000	3,562	3,510	—	—	7,072	0.277
1978/79	2,714,000	3,562	3,510	3,128	—	10,200	0.383
1979/80	2,821,000	3,562	3,510	3,128	—	10,200	0.369
1980/81	2,928,000	3,562	3,510	3,128	—	10,200	0.355

^① Based on an increase from present revenue base at the annual rate of \$107,000,000, or approximately 50% of the average annual increase in revenue base experienced by the District from 1970/71 to 1974/75.

^② Based on an estimated interest rate of 8 percent bid on the \$37,250,000 principal amount of Bonds of Series A, an estimated \$37,000,000 principal amount of Bonds of Series B, and an estimated \$32,800,000 principal amount of subsequent series of Bonds.

^③ Includes allowances for a two percent tax collection delinquency.

^④ Estimated architect-design fees and site acquisition costs for 8 remaining schools that may be constructed subsequent to issuance of Bonds of Series A and Bonds of Series B.

(4) bids of 8 percent per annum maximum interest rate on Bonds issued to finance the acquisition and construction of all proposed 22 schools, (5) bond issues in estimated principal amounts sufficient to meet Project costs, including funded interest during construction and the funding of a bond service reserve equal to estimated maximum annual debt service, and (6) an allowance for a two percent delinquency in District tax collections.

The Corporation may also at a later time issue additional series of bonds to finance other public school facilities to be leased to the District, upon conditions set forth in the Indenture.

The Indenture

The following summary of major provisions of the Indenture under which the Bonds of Series A will be secured is presented below. The summary does not provide a complete and detailed description of all provisions of the Indenture and prospective purchasers of the Bonds of Series A are referred to

the proposed form of Indenture contained in the Basic Legal Documents accompanying this Official Statement.

The Trustee. Southern California First National Bank, San Diego, California has been appointed by the Corporation as Trustee. The Trustee will receive all of the bond proceeds and revenues of the Corporation for disbursement in conformity with the Indenture. In addition to administering the various funds of the Corporation, the Trustee will invest all funds held in trust, act as paying agent for the Corporation's Bonds of Series A and act as bond registrar.

Creation of Special Funds. The Indenture provides for the establishment of special trust funds, all to be held and administered by the Trustee. These funds together with their sources and uses are summarized in the tabulation below. Moneys held in the various funds may be invested by the Trustee under the provisions of Section 4.04 of the Indenture.

Fund	Principal Source	Use
Construction Fund (Section 3.03)	Bond Proceeds	Construction, and incidental expenses of Bond issuance and delivery.
Revenue Fund (Section 4.01)	District Base Rental Payments	Transfers to Interest Fund; Principal Fund; Principal Fund Series A Sinking Fund Account; Operation and Maintenance Fund, if needed; Reserve Fund, if needed; and Corporate Operation Fund.
Interest Fund (Section 4.02(a))	Transfers from Revenue Fund	Bond interest payments.
Principal Fund (Section 4.02(b))	Transfers from Revenue Fund	Bond principal payments.
Principal Fund: Series A Sinking Fund Account (Section 4.02(b))	Transfers from Revenue Fund	Redemption of term Bonds at or prior to maturity.
Operation and Maintenance Fund (Section 4.02(c))	Transfers from Revenue Fund	To meet costs of operation and maintenance if at any time the Corporation shall operate and maintain the Project.
Reserve Fund (Section 4.02(d))	Bond Proceeds and, if depleted, Revenue Fund	Bond principal and interest; payment of final maturities.
Corporate Operation Fund (Section 4.03) .	Bond Proceeds and transfers from Revenue Fund	Corporate operating expenses.

Disposition of Bond Proceeds. The Indenture provides that the proceeds from the sale of the Bonds of Series A shall be deposited with the Trustee. The Trustee will then make the following deposits:

(1) *Interest Fund.* An amount sufficient to pay the interest accruing on the Bonds of Series A on and before July 1, 1976.

(2) *Corporate Operation Fund.* The sum of \$15,000 which is to be maintained as working capital to pay Corporation administrative expenses, Trustee's fees, or other necessary administrative expenses.

(3) *Reserve Fund.* A sum equal to maximum annual debt service on the Bonds of Series A.

(4) *Construction Fund.* The balance of proceeds from the sale of Bonds of Series A which shall be applied to the payment of costs of Project Phase I.

When Project Phase I has been completed, a certificate of the Corporation stating the fact and date of such completion, together with the Architect's certificate stating the fact and date of such completion, shall be delivered to the Trustee by the Corporation. With the receipt of these certifications the Trustee shall transfer any remaining balance not needed for Project Phase I purposes either, as directed by the Corporation, to the Revenue Fund, or to another Project Construction Account.

Revenue Fund. All rental revenue shall be paid to the Trustee and deposited by the Trustee to the credit of the Revenue Fund. Monies in the Revenue Fund shall be disbursed, applied, or set aside by the Trustee in the following order of priority:

(1) *Interest Fund.* Commencing on or before December 30, 1976, and on or before June 30 and December 30 of each year an amount equal to the aggregate half-yearly amount of interest becoming due and payable on the outstanding Bonds on the next succeeding interest payment date.

(2) *Principal Fund.* Commencing on or before December 30, 1976, and on or before June 30 and December 30 of each year an amount equal to at least (a) one-half of the aggregate yearly amount of principal becoming due and payable on outstanding serial bonds the next succeeding July 1, plus (b) one-half of the aggregate of the Minimum Sinking Fund Account Payments to

be paid during the twelve-month period ending on the next succeeding July 1.

(3) *Operation and Maintenance Fund.* If the Corporation shall at any time operate the Project, on or before each June 30 and each December 30 the Trustee shall deposit an amount needed to provide for payment of all costs of operation and maintenance during the next six months.

(4) *Reserve Fund.* A Reserve Fund equal to maximum annual bond service will be created from the proceeds of the Bonds of Series A and held by the Trustee. Moneys in this Fund shall be used to pay bond principal and interest in the event no other funds are available, and moneys in this Fund in excess of one-half of maximum annual debt service may be used for the repair, reconstruction, or replacement of any damaged or destroyed portion of the Project or for the loss of rental income not insured against because of the thirty-day deductible amount. Excess balances in this Fund shall be used to the extent needed to increase the balance in the Corporate Operation Fund to the amount required to be on deposit in said Fund and any remaining excess amounts shall be paid to the District.

(5) *Corporate Operation Fund.* An amount necessary to maintain a balance of \$15,000 in this Fund.

Moneys in the Reserve Fund, Principal Fund, and Interest Fund may be used by the Trustee to reimburse the District for any rental payable under any Facility Lease for a period during which rent is abated and for which no other moneys (including proceeds of the rental interruption or use and occupancy insurance) are available.

Investment of Funds. All moneys held by the Trustee in any of the funds established pursuant to the Indenture may be held in demand or time deposits, and if so shall be secured at all times by collateral security having a market value at least equal to the amount required by law.

Moneys in such funds may also be invested in authorized investments (as defined in the Indenture) including Federal securities or certificates of deposit of banks, maturing prior to the dates required for withdrawal of funds.

All interest earned on any such investment shall become part of the fund on which earned, except that such interest earnings received or accrued dur-

ing construction of any phase of the Project shall be transferred to the Project Construction Account established for such Phase of the Project.

Additional Series of Bonds. Section 3.04 of the Indenture permits the issuance of one or more additional series of bonds by supplemental indenture(s) subject to, among other things, the following conditions:

(1) The Corporation shall not be in default under provisions of the Indenture;

(2) The supplemental indenture shall require that the additional series of bonds will be issued for the purposes of acquiring or constructing additional public school facilities for the District, or the making of additions, improvements, or extensions to the Project;

(3) The additional series of bonds shall have no priority over the Bonds of Series A;

(4) The Corporation must enter into a new or Amended Facility Lease with the District in which the District obligates itself to increase the base rental under all Facility Leases in amounts sufficient to provide for the payment of the principal of and interest on the additional series of bonds when due;

(5) Provision must be made to increase the Reserve Fund to an amount equal to at least the maximum annual bond service on all series of bonds to be outstanding thereafter.

Title Insurance. A policy of title insurance insuring either the leasehold interest title of the Corporation in the real property described in the Site Lease Phase I or the title of the District in such real property will be provided at or prior to delivery of the Bonds of Series A. Said policy will be enforceable for the benefit of the bondholders in the principal amount of the Bonds of Series A.

Fire and Extended Coverage Insurance. While any of the Bonds are outstanding, the Corporation shall cause to be maintained insurance against loss or damage to any structures constituting part of the Project by fire and lightning with extended coverage and vandalism and malicious mischief insurance. Such insurance shall either (1) be in an amount equal to the replacement cost of the structures subject to deductible clauses of not to exceed the lesser of \$100,000 or the excess of the moneys in the Reserve Fund above one-half of maximum annual debt service for any one loss, or (2) be in

an amount and in form sufficient to enable the Corporation either to retire all Bonds then outstanding or to restore the structures to the condition existing before such loss.

Public Liability Insurance. While any of the Bonds are outstanding the Corporation shall cause to be maintained public liability insurance. Minimum liability limits for such insurance are \$5,000,000 for personal injury or death of one person; \$10,000,000 for personal injury or death of two or more persons in each event; and \$200,000 subject to a deductible clause not to exceed \$5,000, for property damage from each event. Such public liability and property damage insurance may however be in the form of a single limit policy in the amount of \$10,000,000 covering all such risks. Such liability insurance may be maintained in conjunction with any other liability insurance carried by the District.

Use and Occupancy Insurance. While any of the Bonds are outstanding the Corporation shall cause to be maintained use and occupancy insurance to cover total or partial loss of the use of Project Phase I facilities resulting from the above-described perils in an amount sufficient to pay the total rental due for the period of time allowed for the construction of the structures by the construction contractor plus three months subject to a deductible clause of thirty days.

Earthquake Insurance. Upon completion of the Project Phase I, the Corporation shall procure and maintain earthquake insurance in an amount equal to the replacement cost of the structures, provided coverage is available at reasonable cost on the open market from reputable insurance companies. Such earthquake insurance may be subject to a deductible clause not to exceed 10 percent of replacement cost for any one loss and may be subject to a co-insurance clause of not less than 80 percent for any one loss.

Eminent Domain. If all or any part of the trust estate shall be taken by eminent domain proceedings, or sold under threat thereof, the proceeds therefrom shall be deposited with the Trustee and applied and disbursed as follows: (a) to be treated as revenues of the Project if the Project's operation has not been materially affected or the Corporation's ability to meet its obligations has not been impaired; or the proceeds shall be used if needed for repair or rehabilitation of the Project; (b) to be used to redeem Bonds if less than all of the Project shall

have been taken by eminent domain and if the Project's operation has been materially affected, or the Corporation's ability to meet its obligations has been impaired; and (c) if all of the Project shall have been taken by eminent domain, the proceeds therefrom and any other available monies shall be used to redeem Bonds. If said monies are insufficient the Trustee shall apply the proceeds to meet the Trustee's costs of litigation and administration of its trusts under the Indenture, payment of principal and interest on the Bonds then outstanding, in full or ratably without preference or priority.

Additional Covenants. The Indenture contains other covenants, including but not limited to, the following whereby the Corporation agrees to:

- (1) Punctually pay the principal and interest on the Bonds of Series A as they become due;
- (2) Promptly collect all rents and charges due

for the occupancy or use of the Project Phase I and to enforce its rights against any tenant who does not pay such rents and charges as they become due;

(3) Maintain, or cause to be maintained, proper books of record and account;

(4) Maintain, or cause to be maintained, in good condition and repair the Project Phase I facilities;

(5) Construct and complete Project Phase I (except for the two existing classroom buildings) in conformity with the construction contract (under the construction contract 100% performance bonds and 100% labor and materialmen's bonds will be required of the contractor);

(6) Pay, discharge, or contest any taxes, assessments, or other charges upon Project Phase I or the revenues.



Renderings of proposed Dailard School (above) and proposed Myron B. Green School (cover) by Robert E. des Lauriers A.I.A. Architect & Associates.

Estimated Annual Bond Service

Table 2 shows annual bond service on the Corporation's Bonds of Series A based on the 8 per-

cent maximum interest rate that may be bid on the Bonds of Series A.

Table 2

SAN DIEGO UNIFIED SCHOOL DISTRICT PUBLIC SCHOOL BUILDING CORPORATION BONDS OF SERIES A Estimated Annual Bond Service at Maximum Interest Rate

Year Ending July 1	Bonds Outstanding	Interest at 8%	Principal Maturing or Subject to Mandatory Redemption	Premium	Total Bond Service
1976	\$37,250,000	\$ 2,980,000	\$ —	\$ —	\$ 2,980,000.00
1977	37,250,000	2,980,000	550,000	—	3,530,000.00
1978	36,700,000	2,936,000	600,000	—	3,536,000.00
1979	36,100,000	2,888,000	650,000	—	3,538,000.00
1980	35,450,000	2,836,000	700,000	—	3,536,000.00
1981	34,750,000	2,780,000	800,000	—	3,580,000.00
1982	33,950,000	2,716,000	850,000	—	3,566,000.00
1983	33,100,000	2,648,000	900,000	—	3,548,000.00
1984	32,200,000	2,576,000	1,000,000	—	3,576,000.00
1985	31,200,000	2,496,000	1,050,000	—	3,546,000.00
1986	30,150,000	2,412,000	1,150,000	—	3,562,000.00
1987	29,000,000	2,296,000	1,200,000①	40,500.00	3,536,500.00
1988	27,800,000	2,198,000	1,300,000①	40,625.00	3,538,625.00
1989	26,500,000	2,093,000	1,350,000①	38,812.50	3,481,812.50
1990	25,150,000	1,982,000	1,500,000①	39,375.00	3,521,375.00
1991	23,650,000	1,860,000	1,600,000①	38,000.00	3,498,000.00
1992	22,050,000	1,729,000	1,750,000①	37,187.50	3,516,187.50
1993	20,300,000	1,586,000	1,900,000①	35,625.00	3,521,625.00
1994	18,400,000	1,431,000	2,050,000①	33,312.50	3,514,312.50
1995	16,350,000	1,264,000	2,200,000①	30,250.00	3,494,250.00
1996	14,150,000	1,084,000	2,400,000①	27,000.00	3,511,000.00
1997	11,750,000	888,000	2,600,000①	22,750.00	3,510,750.00
1998	9,150,000	676,000	2,800,000①	17,500.00	3,493,500.00
1999	6,350,000	447,000	3,050,000①	11,437.50	3,508,437.50
2000	3,300,000	198,000	3,300,000①	4,125.00	3,502,125.00
Total	\$49,980,000		\$37,250,000	\$416,500.00	\$87,646,500.00

① Term bonds callable on or after January 1, 1987 and subject to mandatory call and redemption from Sinking Fund payments beginning January 1, 1987.

THE PROJECT

At an election held on November 5, 1974, voters of the District approved an increase of \$0.383 per \$100 assessed valuation in the maximum tax rate of the District for the years 1975/76 to 2002/03 for purposes of purchasing school sites not then owned by the District, preparing plans and specifications, and leasing the following fully furnished, equipped, and landscaped schools: (1) fifteen elementary schools, (2) one junior high school, (3) two junior-senior high schools, (4) one senior high school, and (5) three career center additions. This voter-approved building program is the largest ever to be undertaken in the District.

Organization for Project Implementation

To facilitate the timely implementation of the voter approved building program, the Board of Education of the San Diego Unified School District adopted an organization plan designated as the "San Diego Schools Project Design, Management, and Construction Team."

Dr. Thomas A. Shannon, Deputy Superintendent for Administration since July 1, 1973, has been designated Project Coordinator, responsible to Dr. Thomas L. Goodman, Superintendent, and the Board of Education. From 1962 to 1973, Dr. Shannon was the Schools Attorney for the District and the San Diego Community College District. He has served as President of the National Organization on Legal Problems of Education; Chairman, Council of School Attorneys of the National School Boards Association; Legal Counsel, Association of California School Administrators; Legal Counsel, American Association of School Administrators; and Chairman, Advisory Committee to Revise School District Lease-Purchase Laws, California Assembly Education Committee.

As Project Coordinator, Dr. Shannon is responsible for the overall direction and coordination of Project implementation activities of the District Construction Management Team; Finance Department

and operating divisions of the District; Schools Attorney's Office; and coordination with the San Diego Unified School District Public School Building Corporation. Dr. Shannon is assisted by the following District staff:

Mr. Charles T. Glenn, Assistant Superintendent, Business Services Division. Mr. Glenn, who holds an M.B.A. degree from Stanford University Graduate School of Business, has had 26 years of professional school business management experience. The Business Services Division under Mr. Glenn's direction is responsible for all phases of the construction program and the coordination of activities of the District's Land and Facilities Planning Department and Facilities Planning Committee.

Dr. Harold W. Culver, Director of Land and Facilities Planning. Dr. Culver holds the degree of Ed.D. from the University of California at Los Angeles and has been Director of the Land and Facilities Planning Department since 1958. Construction of the Project will be under the direct supervision of Dr. Culver.

Mr. Ronald Oakes, Controller. Mr. Oakes, who holds an M.B.A. degree in Business Administration from the Harvard Graduate School of Business Administration, has had over 20 years of experience in private business as controller and chief financial administrator. Mr. Oakes will direct Project budgeting, accounting, and related financial planning functions for the District.

Mr. Ralph D. Stern, Schools Attorney. Mr. Stern holds a Juris Doctor degree from the University of Chicago Law School. He was selected as Assistant Schools Attorney in 1971 and has held the position of Schools Attorney since July 1, 1973. Mr. Stern is responsible for legal affairs of the District as they relate to Project implementation.

In addition to the above, other selected District staff personnel who provide assistance include Mr. J. V. Ward, Facilities Planning Coordinator, Business Services Division; Mr. Richard E. Canner, Schools Architect; and Mr. Fred A. Johnson, Construction Supervisor, and Mr. Lewis E. Gary, Material Control and Warehousing Director.

Important advisory and liaison services are also provided by Mr. Richard W. Oliver, Director, Elementary Division, and Mr. Philip A. Petersen, Director, Secondary Division.

Planned Project Phases

The Board of Education has grouped the voter approved 22 school building program into the following phases for Project implementation purposes:

Project Phase I. Immediate acquisition and construction of eleven permanent elementary schools to house students presently attending classes in portable buildings.

Project Phase II. Immediate construction of one permanent junior high school and two permanent junior-senior high schools to house secondary grade students who are currently attending classes in portable facilities, or being transported to facilities outside their residential areas.

Subsequent Phase(s). The remaining eight schools of the authorized 22 school building program (one senior high school, four elementary schools, and three career education center additions) have been designated as Subsequent Phase(s) Project elements. These facilities are planned to house students in areas of the District that are undergoing development. All, or only a portion, of these remaining eight schools may be constructed, dependent on the District's immediate future needs for facilities in these developing areas. The ballot proposition approving the leasing of 22 schools contained the proviso that the District could lease, if circumstances required, less than all of the schools designated in the ballot proposition.

Project Phase I Scope

The \$37,250,000 principal amount of the Corporation's Bonds of Series A are being offered for sale to provide funds for the acquisition and construction of eleven permanent elementary schools. The specific elementary grade schools included in Project Phase I include: Miramar Ranch, Ericson, Chesterton, Mason, Sandburg, Hickman, Walker, Dillard, Green, Penn, and Tierrasanta, including the acquisition of two existing privately-owned public school buildings situated at this school site.

1975/76 Lease Authorization Tax Levy

The District will levy in 1975/76 the voter-approved maximum lease authorization tax rate of \$0.383 per \$100 assessed valuation to fund a portion of Project Phase I and Project Phase II costs

on a cash basis. Proceeds from this levy in 1975/76 are anticipated to yield approximately \$8,243,500. The following amounts will be budgeted to pay a portion of Project Phase I and Project Phase II costs:

Item	Estimated Amount
Phase I Project Equipment	\$1,675,000
Phase II Project Equipment	2,618,000
Phase II Project Site Preparation	1,134,000
Phase I Project Site Acquisition Costs..	1,500,000
Construction Inspection Costs	671,000
Preparation of Plans and Specifications	152,000
Other Applicable Project Costs	493,500①
Total	\$8,243,500

① Includes related project costs for accounting, data systems, purchasing, materials control, miscellaneous equipment, stores administration, and duplicating services functions.

Bonds of Series A Requirement

On May 28, 1975, the District received competitive sealed construction bids for the Miramar Ranch Elementary School. On May 29, 1975 the District received competitive sealed bids for the construction of the ten other elementary schools representing the remainder of the Project Phase I. On the basis of the bid prices, the Corporation has, on the advice of the District, issued letters of intent to enter into construction contracts with Don Koll Company, Inc., San Diego, for the construction of the Miramar Ranch Elementary School at a cost of \$2,205,700, and Olson Construction Company, San Diego, for the construction of the ten other elementary schools representing the remainder of Project Phase I, at a cost of \$23,951,638.

Upon delivery of the Bonds of Series A the Corporation will enter into construction contracts with Don Koll Company, Inc., and Olson Construction Company for construction of Project Phase I facilities in accordance with plans and specifications prepared by consulting architects and approved by the District. The State Office of Architecture and Construction has also approved plans and specifications for the Project Phase I facilities and certified their conformance to fire, safety, and earthquake structural safety standards.

Contractors for Project Phase I facilities will furnish 100% faithful performance and 100% labor and materialmen's bonds. The contractors are also required to carry, under terms of the construction contract, fire, public liability, property damage, and workmen's compensation insurance during the construction period and until the facilities have been accepted by the District and the Corporation. The Corporation will maintain extended coverage and earthquake insurance during the construction period, if such insurance is obtainable at reasonable cost on the open market from reputable insurance companies, against loss or damage by earthquake in an amount not less than the full insurable value of the Project Phase I structures.

Construction of the Project Phase I facilities is programmed to provide for the completion of two elementary schools for each three-week period commencing on or about February 2, 1976. It is anticipated that all Project Phase I facilities will be completed and occupied by the District in early May 1976. The construction schedule contains specific deadlines for the completion of various phases of construction in accordance with a critical path construction schedule developed by Heery Associates, Inc., Atlanta and San Diego, construction manager for the Corporation.

The tabulation below shows the estimated cost of Project Phase I and the principal amount of Bonds of Series A to be issued by the Corporation.

**SAN DIEGO UNIFIED SCHOOL DISTRICT
PUBLIC SCHOOL BUILDING CORPORATION
Bonds of Series A Requirement**

Construction per bids

a. Miramar Ranch School	\$ 2,205,700
b. Ten elementary schools	23,951,638
	<hr/>
	\$26,157,338
Purchase Tierrasanta existing buildings	838,049
Architects' fees	1,595,337
Construction management fees	682,622
Construction contingency @ 5%	1,421,765
Contingency on Tierrasanta building purchase	99,914
	<hr/>
Subtotal	\$30,795,025
Financing consultant and costs of issuance	45,000
Legal fees, legal printing, securities qualification costs	116,250
Title insurance	50,000
Earthquake and extended coverage insurance	120,000
Corporate operation fund	15,000
	<hr/>
Subtotal	\$31,141,275
Funded interest (1 year @ 8% maximum)	2,980,000
Bond service reserve	3,580,000
Overall project contingency	223,725
	<hr/>
Subtotal	\$37,925,000
Less: Investment income @ 5% on construction fund, reserve fund, funded interest	675,000
	<hr/>
BONDS OF SERIES A REQUIREMENT	\$37,250,000

DISTRICT ORGANIZATION AND FINANCIAL DATA

Organization

The San Diego Unified School District provides elementary and secondary school educational services to residents of a 196 square-mile area that includes most of the City of San Diego and a small adjoining unincorporated area. The City of San Diego, founded in 1769, is the oldest city in the State of California. The District has operated as a School District under the Laws of the State of California continuously since 1936. The District is governed by an independent Board of Education of five members who are elected at large for overlapping four-year terms. The Superintendent, who is appointed by the Board of Education, administers the District's affairs in accordance with policies of the Board of Education. The present superintendent, Dr. Thomas L. Goodman, has served the District in this capacity since 1971. Dr. Goodman has had more than 20 years of professional experience in public education and administration.

Dr. Goodman is directly assisted by Dr. Thomas A. Shannon, Deputy Superintendent for Administra-

tion who acts as Superintendent in the absence of Dr. Goodman, and Dr. William H. Stegeman, Deputy Superintendent for Operations.

Facilities and Attendance

The District's facilities include 123 elementary schools, 18 junior high schools, 12 senior high schools, 3 continuation schools, 15 pre-school children centers, and 4 special education centers. The District's staff includes 5,615 full-time certificated, 3,650 full-time classified, 385 administrative, and 5,277 part-time certificated and certified employees. The 1974/75 budget exceeds \$193,600,000. The District's enrollment as of October, 1974 totaled 123,333. Table 3 shows District assessed valuations, average daily attendance, and assessed valuation per student in average daily attendance over the past five years. During this period, the District's assessed valuation increased approximately 59.8 percent and assessed valuations per unit of average daily attendance increased approximately 65.3 percent. Average daily attendance over the past five years has decreased 3.4 percent from 133,001 in 1970/71 to an estimated 128,542 in 1974/75.

Assessed Valuations

The San Diego County Assessor assesses property for District tax purposes. District taxes are collected by the County Treasurer at the same time and on the same tax rolls as are city, county and special district taxes. Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively.

Table 3
SAN DIEGO UNIFIED SCHOOL DISTRICT
Assessed Valuation and Average Daily Attendance

Fiscal Year	Assessed Valuation	Average Daily Attendance ^①	Assessed Valuation Per Unit Average Daily Attendance
1970/71	\$1,430,792,171	133,001	\$10,758
1971/72	1,628,298,774	131,846	12,350
1972/73	1,786,000,013	129,338	13,809
1973/74	2,017,626,550	127,341	15,844
1974/75	2,286,411,268	128,542 ^②	17,787

^① Includes summer enrollments.

^② Estimated during the period September 1974 through June 1975.

Sources: San Diego County Auditor and Controller (Assessed Valuations), and San Diego Unified School District (Average Daily Attendance).

Table 4**SAN DIEGO UNIFIED SCHOOL DISTRICT****Assessed Valuations by Tax Roll**

Tax Roll	1970/71	1971/72	1972/73	1973/74	1974/75
Secured roll	\$1,125,287,169	\$1,314,278,637	\$1,438,932,814	\$1,639,532,682	\$1,873,503,429
Unsecured roll	198,421,492	210,148,257	238,680,799	266,031,948	298,698,649
Utility roll	107,083,510	103,871,880	108,386,400	112,061,920	114,209,190
Total	\$1,430,792,171	\$1,628,298,774	\$1,786,000,013	\$2,017,626,550	\$2,286,411,268

Source: San Diego County Auditor and Controller.

The State Board of Equalization reports the 1974/75 San Diego County valuations to average 26.6 percent of full market value, except for public utility property, which is assessed by the State at 25 percent of full value.

Under amendments to the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Revenue estimated to be lost to each taxing entity as a result of these exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies.

In 1974/75, District homeowners' and business inventory exemptions totaled \$253,114,557. Table 4 shows a five year history of the District's assessed valuations by the tax roll prior to deductions for the two special exemptions cited above.

Revenue Limitations

Since 1973/74, California school districts have operated under general purpose property tax revenue limitations established in legislation adopted in 1973. This legislation does not affect property tax rates required to meet general obligation bond service requirements or a voter-approved maximum tax rate to enable a school district to lease facilities for its use and occupancy. Essentially, school districts

are no longer subject to fixed statutory general purpose tax rate limits. Since 1973/74 allowable annual tax rates to be applied to a district's assessed valuation have been based on a revenue limit per unit of average daily attendance. The 1973/74 limit per unit of average daily attendance for the San Diego Unified School District was \$860.45. In 1974/75, the District's revenue limit per unit of average daily attendance is \$910.59. A school district's revenue limit may be adjusted annually on the basis of the following factor: an adjustment for inflation, state aid, loss of any federal funding, mandatory contribution increases to the Teachers Retirement System, loss in units of average daily attendance, changes in the assessed valuation of the District, and prior year's revenue limits and maximum tax rates.

On November 5, 1974, voters of the District approved a measure to increase the District's revenue limit per unit of average daily attendance by \$24 for a five-year period beginning in 1975/76 for purposes of land acquisition, installation of intrusion alarm equipment at District schools, the removal of site deficiencies, and modification of existing facilities.

Tax Rates

The District's 1974/75 tax rate per \$100 is \$4.536, composed of \$3.818 for general non-categorical purposes; \$0.253 for bond interest and redemption; and \$0.465 for other categorical purposes. Table 5 shows a five-year history of the District's tax rates. During this period the District's tax rate per \$100 assessed valuation ranged from a high of \$4.818 in 1972/73 to a low of \$4.536 in 1974/75.

Table 5
SAN DIEGO UNIFIED SCHOOL DISTRICT
Property Tax Rates

Purpose	1970/71	1971/72	1972/73	1973/74	1974/75
General Non-Categorical	\$4.189	\$4.139	\$4.185	\$4.015	\$3.818
Bond Interest and Redemption .....	.455	.387	.377	.291	.253
Other Categorical① .....	.043	.129	.256	.328	.465
Total	\$4.687	\$4.655	\$4.818	\$4.634	\$4.536

① Corrective measure/fire safety; earthquake safety; development center; community service; meals for needy; child development; and State School Building Loan repayment.

Source: San Diego Unified School District.

Table 6
TAX CODE AREA 8001
Property Tax Rates

Entity or Purpose	1970/71	1971/72	1972/73	1973/74	1974/75
San Diego County	\$ 2.745	\$ 2.939	\$ 2.711	\$2.711	\$2.691
City of San Diego	1.959	1.809	1.744	1.753	1.753
San Diego Unified School District	4.687	4.655	4.818	4.634	4.536
Other Educational Purposes .....	.744	.776	.803	.831	.853
Total	\$10.135	\$10.179	\$10.106	\$9.929	\$9.833

Source: San Diego County Auditor and Controller.

Tax Code Area 8001 (1974/75 assessed valuation of \$1,499,945,845) represents 65.6 percent of the District's 1974/75 assessed valuation. Total tax rates per \$100 assessed valuation in this tax code area for the past five years are shown in Table 6. The total tax rate in this code area has decreased during the past few years from a high of \$10.179 in 1971/72 to a low of \$9.833 in 1974/75.

Tax Levies, Collections, and Delinquencies

Table 7 shows a five-year history of the District's secured tax levies, current collections, and the current rate of tax delinquency as reported by the County Auditor and Controller. Over the past five years, delinquencies have averaged 1.15 percent.

Table 7
SAN DIEGO UNIFIED SCHOOL DISTRICT
Secured Tax Levies, Collections, and Delinquencies

Fiscal Year	Secured Tax Levy	Amount Collected as of June 30	Amount Delinquent as of June 30	Percent Delinquent
1969/70	\$45,681,659	\$45,408,658	\$ 453,001	0.99%
1970/71	49,532,588	49,067,204	465,384	0.94
1971/72	57,683,653	57,241,299	442,354	0.77
1972/73	65,642,595	65,064,206	578,389	0.88
1973/74	67,348,542	65,882,564	1,465,979	2.18

Source: San Diego County Auditor and Controller.

General Fund Revenues, Expenditures and Fund Balances

Table 8 summarizes the District's General Fund Revenues and Expenditures over the past five years.

The net ending balance of the General Fund was \$12,609,344 as of June 30, 1974, an increase of \$5,585,796 over June 30, 1973.

Table 8

SAN DIEGO UNIFIED SCHOOL DISTRICT Summary of General Fund Receipts and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
Beginning Fund Balance	\$ 4,816,280	\$ 2,927,251	\$ 5,350,057	\$ 6,741,668	\$ 7,023,548
Revenues					
Federal Sources	\$ 10,859,540	\$ 11,657,372	\$ 14,114,905	\$ 13,846,437	\$ 14,818,113
State Sources	49,176,201	43,530,890	39,349,361	38,576,593	49,578,519
County Sources	373,738	327,468	562,679	942,442	1,110,169
Property Taxes	52,137,342	56,938,187	66,159,388	74,787,303	74,628,720
Other①	1,363,403	1,210,888	1,397,275	2,145,771	2,747,669
Subtotal	\$113,910,224	\$113,664,805	\$121,583,608	\$130,298,546	\$142,883,190
Total Revenues Available	\$118,726,504	\$116,592,056	\$126,933,665	\$137,040,214	\$149,906,738
Expenditures					
Administration	\$ 3,725,528	\$ 2,976,268	\$ 3,435,711	\$ 3,707,236	\$ 3,953,843
Instruction	89,983,737	87,478,935	93,689,851	96,817,376	100,196,805
Plant Operation	8,478,080	7,762,084	8,491,843	8,952,020	9,532,091
Plant Maintenance	2,637,983	2,336,761	3,045,272	3,024,906	2,943,581
Fixed Charges	6,016,228	6,221,939	7,514,795	10,215,693	11,183,761
Capital Outlay	828,913	831,840	1,143,035	3,067,286	3,803,465
Other	4,128,784	3,634,172②	2,871,490	4,232,149	5,683,848
Total Expenditures	\$115,799,253	\$111,241,999	\$120,191,997	\$130,016,666	\$137,297,394
Ending Fund Balance	\$ 2,927,251	\$ 5,350,057	\$ 6,741,668	\$ 7,023,548	\$ 12,609,344

① Includes combined Federal and State sources.

② Includes \$1,080,961 Transfer to Junior-College District.

Source: San Diego Unified School District Audit Reports.

Bonding Capacity and Debt Statement

The District's general obligation bonding capacity is equal to 10 percent of assessed valuation after all exemptions except homeowners' and business inventories, as adjusted by the Collier Factor to conform to the statewide average assessment level for all property. Based on the District's 1974/75

assessed valuation, the District's general obligation bonding capacity is \$220,163,857. At the date of execution of the Project Phase I Facility Lease, the District's general obligation bonded debt will be \$41,841,843.

The State of California Education Code provides that a unified school district shall not enter into any long term leases of buildings if the combination of: (a) 50 percent of the District's rental payments under such leases, plus (b) the outstanding district general obligation bonded indebtedness, exceeds 12.5 percent of the district's net taxable assessed valuation plus homeowners' and business inventories exemptions.

Based on the District's 1974/75 assessed valuation for this purpose (\$2,286,411,268) the 12.5 percent limit of anticipated lease rentals and general obligation bonded debt equals \$285,801,408. The maximum aggregate lease rentals payable by the District under the Project Phase I Facility Lease include: (a) base rentals of \$84,666,500, assuming the per-

mitted maximum interest rate of 8 percent is bid on the Bonds of Series A, and (b) additional rent not to exceed \$10,000 per year over the term of the Project Phase I Facility Lease, or \$240,000 in the aggregate. Fifty percent of the District's lease rentals (\$42,453,250) plus general obligation bonded debt (\$41,841,843) will approximate 29.5 percent of the District's general obligation bonded debt and lease rental limitation of \$285,801,408.

The direct and estimated overlapping bonded debt of the District is shown in Table 9. The District's general obligation bonded debt, plus the \$37,250,000 principal amount of the Corporation's Bonds of Series A are shown for informative purposes only since bonds of the Corporation are not a debt or obligation of the District.

Rendering of proposed Walker School by Innis-Tennebaum, Architects.

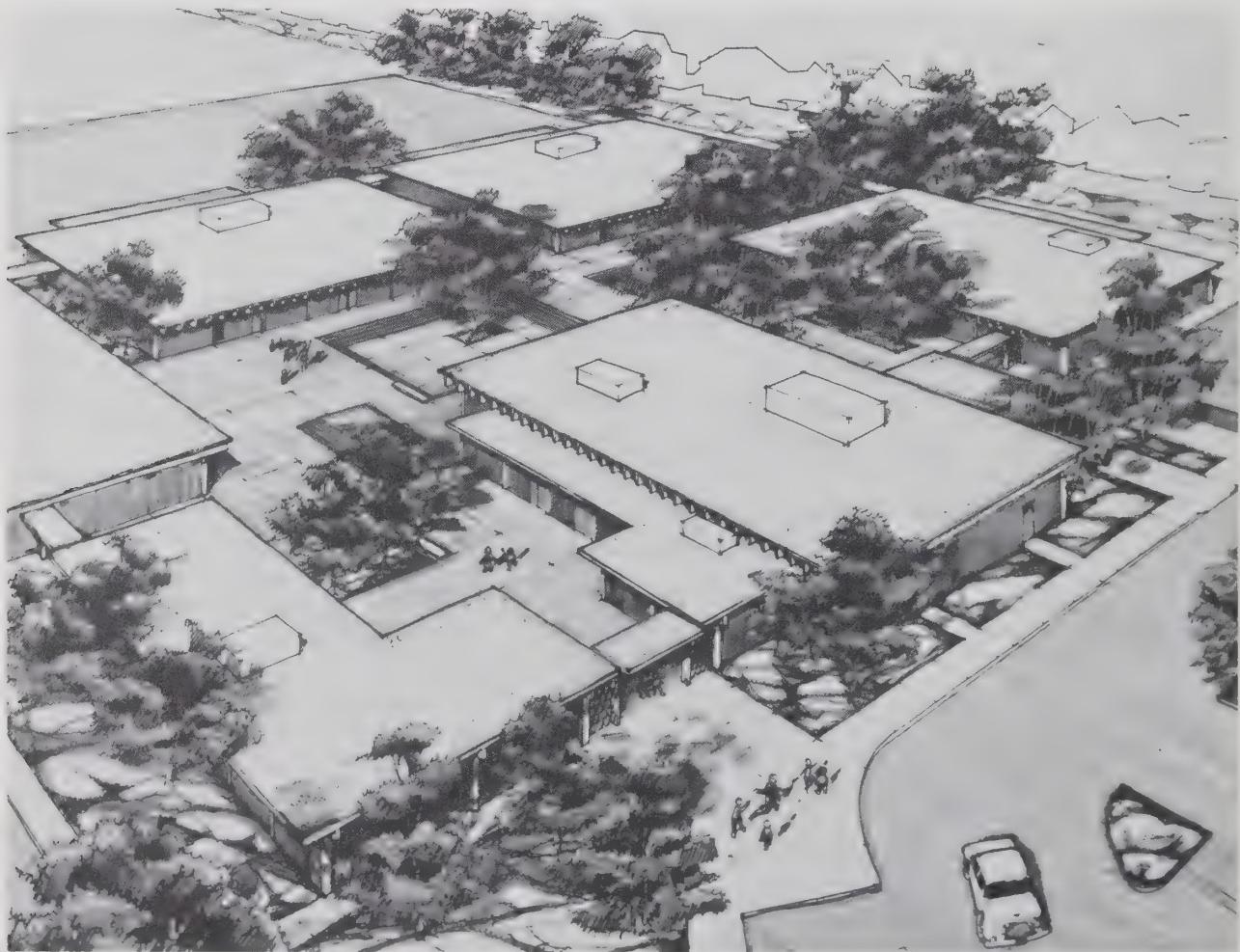


Table 9**SAN DIEGO UNIFIED SCHOOL DISTRICT****Statement of Direct and Estimated Overlapping Bonded Debt^①**

Estimated Population	766,100	
1974/75 Assessed Valuation	\$2,286,411,268 ^②	
Estimated Real Value	\$8,622,000,000 ^③	
Public Entity	Percent Applicable	Estimated Date Applicable July 9, 1975
San Diego County	44.441 %	\$ 2,215,249 ^④
San Diego County Building Authorities	45.441	936,085
San Diego County Water Authority	48.187	27,061,819
Metropolitan Water District	6.362	35,131,218
San Diego Community College District	100.000	6,736,500
San Diego Unified Port District	76.779	46,689,310
San Diego Unified School District (1951-1960A Issues)	99.782-99.992	11,818,843
San Diego Unified School District (Subsequent Issues)	100.000	67,273,000 ^⑤
Other School and Junior College Districts	Various	284,015
City of San Diego	90.382	41,253,056 ^⑥
City of San Diego Authorities	90.382	24,904,760
Other Cities and Special Districts	Various	5,497,687
GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$269,801,542
Less: Self-Supporting Water Bonds		61,769,226
City of San Diego Water Bonds		2,372,528
San Diego Unified Port District (100% self-supporting)		46,689,310
NET DIRECT AND OVERLAPPING BONDED DEBT		\$158,970,478

	Ratio to		
	Assessed Valuation	Real Value	Per Capita
Assessed valuation	—	—	\$2,985
Direct debt	3.46%	.92%	103
Net direct and estimated overlapping bonded debt	6.95	1.84	208

^① Prepared in cooperation with California Municipal Statistics Inc.

^② Includes homeowners' and business inventory exemptions of \$253,114,557.

^③ The State Board of Equalization reports that 1974/75 assessed valuations in San Diego County average 26.6 percent of market value. Public utility property (\$114,209,190) is assessed by the State Board of Equalization at 25 percent of market value.

^④ Excludes share of \$6,070,500 San Diego County (\$2,758,496) and \$12,824,159 City of San Diego Community Concourse (\$11,590,731) obligations.

^⑤ Includes \$37,250,000 Bonds of Series A of the Corporation to be sold July 9, 1975.

^⑥ Excludes water and sewer revenue bonds.



Panoramic View of San Diego Skyline From the Shelter Island Recreational Area.

ECONOMY OF THE DISTRICT

The San Diego Unified School District provides elementary and secondary grade school services for most of the City of San Diego (more than 90 percent of the City's assessed valuation lies within the District), and a small adjoining unincorporated territory. This portion of the Official Statement is therefore concerned primarily with the City of San Diego, which contains slightly more than half the total population of San Diego County.

City of San Diego

The City of San Diego grew out of the first California mission—Mission San Diego de Alcalá—founded in 1769. San Diego was incorporated in 1850, the year California entered the Union. The city covers a large part of the southwestern coastal area of San Diego County. The city limits, extend to the Mexican border through the communities of Chula Vista, National City, and Imperial Beach. The total area of the city is approximately 389 square miles, including 72 square miles of water.

Population

San Diego's population in January 1975 was 766,100, according to the State Department of Finance. The city's population more than doubled between 1950 and 1970, with almost two-thirds of the net increase occurring in the decade of the fifties. U. S. Census tabulations through 1970 for the City of San Diego and San Diego County are shown in Table 10.

Table 10
Population Data

U.S. Census	City of San Diego	County of San Diego
1940	203,341	289,348
1950	334,387	556,808
1960	573,224	1,033,011
1970	696,769	1,357,854

Housing

The 1970 Census of Housing reported 240,976 year-round dwelling units in the city. Sixty-five percent were single family structures with owner-occupied homes valued at a mean of \$22,500. Median rent was \$113 per month.

Since the 1970 Census, new residential construction has favored multiple units by a considerable margin.

The City Planning Department estimates that, as of July 1, 1973, the total number of housing units in the city had increased to 282,153, a gain of more than 17 percent over the 1970 Census tabulation. The proportion of single family dwellings had declined to 60 percent of total housing units.

The average permit value of single dwellings in the city, exclusive of land, exceeded \$26,160 in 1974.

Employment

Total civilian employment in Metropolitan San Diego (San Diego County) was 557,400 in April 1975, a gain of 3,100 from the year-ago period. Principal gains over the year were in services, government, and retail trade. Shipbuilding firms added 900 workers.

Government employees amount for more than 27 percent of all nonagricultural wage and salary workers, followed by trade, services, and manufacturing occupations. Overall employment totals in the San Diego area have steadily increased. Largest numerical gains in payrolls since 1968 have been registered by services, retail trade, and state and local government. Table 11 on page 28 shows non-agricultural civilian employment year-to-year comparisons over a six-year span.

Table 11**METROPOLITAN SAN DIEGO****Non-Agricultural Civilian Employment****Annual Averages (000's)**

	1969	1970	1971	1972	1973	1974
Construction	21.3	21.3	23.6	26.7	28.6	23.1
Manufacturing (durables)	57.1	54.8	50.8	50.4	54.7	56.6
Manufacturing (nondurables)	12.5	12.6	12.7	13.9	14.6	18.9
Transportation, utilities	19.7	20.5	21.2	22.1	23.1	23.2
Trade (wholesale)	12.8	13.0	13.3	13.7	15.4	16.6
Trade (retail)	68.7	73.1	75.1	78.7	84.3	87.9
Finance, real estate	16.5	17.9	19.7	22.1	23.7	24.9
Services	69.9	75.5	79.0	84.3	91.4	95.9
Government (federal)	34.5	33.1	33.2	34.5	35.7	36.9
Government (state and local)	61.0	64.8	68.8	75.0	78.3	80.2
Other non-agricultural .....	.5	.5	.6	.5	.5	.5
Total non-agricultural employment	374.5	387.1	398.0	421.9	450.3	464.7

Source: State Department of Employment Development.

Industry

The most important industries in the San Diego area, based on payrolls, are aircraft and parts, shipbuilding and repair, communications equipment, office equipment, computers, printing and publishing, and food processing. There are more than 1,000 manufacturing firms in the Metropolitan Area. San Diego is fortunate in that it has room and appropriate zoning for substantial expansion of industry.

Major industrial employers in the San Diego area are Convair Aerospace Division of General Dynamics, Rohr Industries, Teledyne Ryan Aeronautical Company, and Solar Division of International Harvester.

Convair, which employs more than 10,000 persons in San Diego County, has been established in the San Diego area since 1933. It is currently involved in the design and development of a space shuttle system with North American Rockwell. A contract with the McDonnell Douglas Corporation for manufacture of DC-10 fuselage sections has a total estimated value of \$500 million.

Rohr Industries (6,500 employees), historically a producer of engine pods and other aircraft sub-assemblies, is producing buses at its Flxible Co. sub-

sidiary. Another transit contract involves the Aerotrain, an air-cushion high-speed monorail system powered electrically. Rohr is entering computer-controlled warehousing and modular housing. With Flxible and Aerotrain contracts as a base, ground transportation is becoming a major part of this company's business.

Teledyne Ryan (3,900 employees), which built Lindbergh's "Spirit of St. Louis", traces its organization to 1922. The Company produces subsonic and supersonic aerial jet targets, a Doppler navigation set, microwave sensors, electronic countermeasures, micro-electronic packaging, and space-craft instrumentation.

Solar Division of International Harvester (3,200 employees) produces industrial turbine packages in generator sets, compressors and mechanical drives. Solar is reported to enjoy 50 percent of the world market for industrial turbine packages. Solar is building a gas turbine manufacturing plant in San Diego which will have approximately one million square feet under roof when completed.

National Steel and Shipbuilding Co., owned by Kaiser Industries and Morrison-Knudsen, has a \$54.6 million contract to build three coastal type tankers designed by NASSCO. The firm, with a

Table 12
METROPOLITAN SAN DIEGO MAJOR EMPLOYERS
500 or More Employees

Firm	Product or Service	No. of Employees
Atlas Hotels, Inc.	Hotels & motels	1,000-1,999
Bank of America N.T. & S.A.	Banking	1,000+
Broadway Hale Stores, Inc.	Department stores	3,000-4,000
Convair, a Division of General Dynamics	Aerospace parts	11,000+
Cubic Corporation	Electronic computing equipment	1,000-1,999
Gulf Energy & Environmental Systems, Inc.	Research & development, atomic reactors	1,000+
Honeywell, Inc., Communications & Data Products Division	Electronic computing equipment	1,300
Mercy Hospital & Medical Center	Hospitals	1,000-1,999
Montgomery Ward & Company	Department stores	1,000-1,999
NCR Corp.	Computing equipment	2,000-2,999
National Steel & Shipbuilding Co.	Shipbuilding & repairing	3,000-4,999
Pacific Southwest Airlines	Airline	2,000-2,999
Pacific Telephone Company	Telephone service	7,000
J. C. Penney Company Stores	Department stores	1,000-1,999
Ratner Manufacturing Company	Manufacturer—men's clothing	2,000-2,999
Rohr Industries	Aerospace parts	6,000-7,000
Safeway Stores, Inc.	Grocery stores	1,000-1,999
San Diego Gas & Electric Co.	Gas & electric services	1,000-1,999
Sears, Roebuck & Company	Department stores	2,000-2,999
Singer-General Precision, Inc., Kearfott Division	Electronic computing equipment	1,000-1,999
Solar, a Division of International Harvester	Manufacturers—turbines, gas	3,000-4,999
Stromberg Datagraphix	Tubes, cathode rays, microfilm recorders	1,000-1,999
Teledyne Ryan Aeronautical Co.	Aerospace parts	3,000-4,999
Union-Tribune Publishing Co.	Newspaper publishers	1,000-1,999
Walker Scott Corporation	Department stores	1,000-1,999
Ametek/Straza	Aerospace parts	500- 999
Armolite, Inc.	Plastic spectacle lenses	500- 999
Campbell Machine, Inc.	Shipbuilding & repairing	500- 999
Casa Blanca Convalescent Center	Convalescent homes	500- 999
De Falco's Food Giant Markets, Inc.	Grocery stores	500- 999
E. C. D. Deutsch Co.	Connectors	500- 999
Fedmart Corporation	Department stores	500- 999
Food Basket	Grocery stores	500- 999
General Dynamics Electronics (San Diego Operations)	Communications equipment	500- 999
The May Company	Department stores	500- 999
Mayfair Markets	Grocery stores	500- 999
Paradise Valley Hospital	Hospital	500- 999
Royal Inns of America, Inc.	Hotels & motels	500- 999
San Diego Yellow Cabs, Inc.	Taxi services	500- 999
Scripps Clinic & Research Foundation	Medical research	500- 999
Scripps Memorial Hospital	Hospital	500- 999
Sea World, Inc.	Amusement parks	500- 999
Security Pacific National Bank	Banks	500- 999
Donald N. Sharp Memorial Community Hospital	Hospital	500- 999
Southern California First National Bank	Banks	500- 999
Union Carbide Corporation	Semiconductors	500- 999
Crocker National Bank	Bank	500- 999
Weyerhaeuser Corp.	Forest products	500- 999
Hewlett-Packard	Computer peripherals	500- 999
Burroughs Corp.	Integrated circuits	500- 999
Sony Corp.	Television sets	500- 999
Applied Energy, Inc.	Chilled liquids	500- 999

Source: San Diego Chamber of Commerce.

payroll of 2,000, has built freighters for shipping lines and is expected to participate in construction arising from the federal 10-year shipbuilding subsidy legislation.

International Telephone and Telegraph Co. (Cable-Hydrospace Division) is building a \$45 million industrial complex in San Diego to produce submarine and other cable. The first plant (of three planned) was completed in mid-1971. ITT reports that it will eventually employ 1,000 at San Diego plants.

The electronics industry now provides employment for more than 13,000 persons in Metropolitan San Diego. Leading electronics and computer manufacturing firms are Electro Dynamic Division of General Dynamics (2,100 employees), NCR Corp. (2,400), Cubic Corporation (1,400), Honeywell (1,300 employees), Cohu Electronics, Stromberg Datagraphix, Spectral Dynamics, Control Data, Burroughs Corporation, Conic Corporation, and Hewlett-Packard.

Sony Corporation of Japan occupies a 140,000-square foot plant on a 30-acre site for the assembly of color television sets. The plant is expected to employ 1,000 at full production.

Gulf Energy & Environmental Systems, San Diego division of Gulf Oil Corp., is active in the design, development and marketing of nuclear power plants and water treatment systems.

Table 12 lists San Diego Metropolitan Area major employers and their products and services.

Military Installations

San Diego is headquarters for the Eleventh Naval District, embracing nine Southern California counties, Clark County in Nevada, and the State of Arizona.

This has led to the development of numerous Navy facilities in the San Diego area. Principal installations, in addition to Eleventh Naval District Headquarters and the Naval Station, are the Miramar and North Island Naval Air Stations, the Naval Electronics Laboratory, the San Diego Naval Hospital (largest in the world), the San Diego Naval Amphibious Base, the Naval Training Center, and the Anti-Submarine Warfare School.

San Diego is the home port for approximately 120 warships. Navy personnel at major bases in the

area, combined with ship crews, total over 85,000. Marine Corps personnel at Camp Pendleton and the U. S. Marine Corps Recruit Training Depot number approximately 35,000. Civilian employment by the military in 1973 was estimated at 30,185, up 520 over the previous year.

Military payrolls were in excess of \$965 million in 1974 and civilian employees at military installations were paid more than \$380 million in salaries and wages.

The overall military contribution to San Diego's economy was nearly \$2 billion, as summarized in the tabulation below, based on figures compiled by the Military Affairs Division of the San Diego Chamber of Commerce. This placed the Navy in second position as a contributor to the local economy. San Diego's manufacturing industries collectively generate the largest single annual source of payrolls, taxes, and local purchases, according to the Chamber of Commerce.

SAN DIEGO COUNTY

Navy and Marine Corps Spending 1974

Category	Amount
Military payroll	\$ 965,520,365
Civilian payroll	380,443,972
Public vouchers	393,882,568
Retirement checks	153,044,760
Military construction	84,458,541
Reserve drill pay	4,870,147
Total	\$1,982,220,353

Research and Development

Research and development work is playing an increasingly important role in the San Diego economy. The construction of a major campus of the University of California at San Diego (UCSD) added impetus to this development, since research facilities traditionally cluster around major universities with their climate of scientific inquiry.

San Diego County is one of the nation's leading health sciences and biomedical centers. Approximately 28,000 persons share \$30 million in annual payrolls from life sciences-related activities. Other

life science research organizations, in addition to UCSD, include the Salk Institute, the Scripps Clinic and Research Foundation, and Scripps Institution of Oceanography.

The Salk Institute, headed by Dr. Jonas Salk, was established at San Diego in 1963 for pure and applied research in the life sciences, uniting biological studies in such fields as the nature of living organisms with research in practical medicine.

A center of biological research, as well as medical training and actual treatment, is the Scripps Clinic and Research Foundation. The foundation, a non-profit organization founded in 1924, is headquartered in a \$25 million plant on a 12-acre site near the UCSD medical school. This organization operates over 40 laboratories and has 720 research employees, including 170 senior scientists and fellows who are MD's or hold other doctorates.

A new \$35 million Veterans Administration Hospital adjacent to UCSD's School of Medicine opened in February 1972 and represents a major contribution to biomedical research in the area.

The Scripps Institution of Oceanography has been a unit of the University of California since 1912. The Institution occupies nine buildings on a 159-acre site in the La Jolla section of San Diego, where it is engaged in postgraduate education as well as research. The Institution is the world's largest center of marine biological research. Among its extensive facilities is the largest oceanographic fleet in the nation.

The Naval Electronics Laboratory is an outgrowth of the radio station established by the Navy at San Diego in 1906. Currently, the laboratory performs research, development and tests in the fields of radio, radar, sonar, oceanography and scientific research instruments. San Diego has also been the scene of the Aquanaut and SEA-LAB projects for studying the effects of prolonged undersea living on human beings.

The John Jay Hopkins Laboratory of Gulf Energy and Environmental Systems ranks as the world's largest privately-owned center for diversified nuclear development. The division has 500,000 square feet of facilities representing an investment of more than \$23,000,000 on its 350-acre site near the UCSD campus.

Construction

Non-residential construction permit valuation in the city during 1974 exceeded \$156 million, substantially ahead of the \$103 million annual rate in 1973. Reflecting the tight national mortgage situation, residential permit valuation trailed the rate for the previous year. Table 13 presents building permit valuation data since 1971. On page 33 is a selected list of major permits issued by the City during 1974.

Since 1960, more than \$200 million has been spent for new construction in the downtown area. One of the most striking additions to San Diego's

Scripps Institution of Oceanography, University of California at San Diego.





Evening view of San Diego's Community Concourse and neighboring buildings.

skyline is the Community Concourse located on a seven-acre site in the central core of the city. It includes a 13-story City Administration Building and an adjoining six-story operations building, a convention-exhibit hall, a 1,000-car public garage, and the Civic Theater. The complex represents an investment of more than \$28 million.

Among major projects now underway in the city are a \$44.2 million federal office building and courthouse, and a 22-story office building for Central Federal Savings and Loan Association. The federal complex anchors a proposed redevelopment program encompassing about 15 square blocks south of the central business area.

Table 13
CITY OF SAN DIEGO
Building Permit Valuation
(Thousands of Dollars)

	1971	1972	1973	1974
Value:				
Residential	\$337,827	\$298,433	\$149,079	\$108,049
Nonresidential	103,865	136,845	103,103	156,449
Total	\$441,692	\$435,278	\$252,182	\$264,498
Number of dwelling units:				
Single family	8,784	5,620	3,123	1,610
Multi-family	11,884	9,798	3,692	2,623
Total	20,668	15,418	6,815	4,233

Source: Security Pacific National Bank.

CITY OF SAN DIEGO

Selected Major Building Permits

1974

Project	Developer/Owner	Value
47 Single Homes	The Christiana Companies	\$ 1,980,000
125 Apartments	AHG San Diego	1,495,000
40 Apartments	Bayview Condominium Assoc.	1,053,100
School	San Diego Unified School District	1,019,000
96 Apartments	Lee E. Mattel	1,425,000
Hospital	Doctors Hospital	4,620,000
School	San Diego Unified School District	1,640,000
495 Single Homes	Pardee Construction Co. (various)	9,959,560
184 Apartments	La Jolla Village	2,637,400
Hospital Buildings	Scripps Clinic & Research Foundation	14,000,000
Office Buildings	Lion Property Co.	1,315,000
School	San Diego Unified School District	1,939,620
Stores	Mission Valley Partnership	1,170,000
Stores	Von's Grocery Co.	1,100,000
84 Condominiums	Ponderosa Homes	2,446,400
80 Condominiums	Christiana Companies, Inc.	1,670,000
Industrial	Pacific Sorrento Partners	1,289,000
Industrial	Sony Corp. of America	2,228,000
Schools	San Diego Unified School District	1,539,078
Stores	Mira Mesa Shopping Center	2,296,000
68 Apartments	Bob Collins & Assoc.	1,441,315
221 Apartments	Cathedral Plaza Development Corp.	3,000,000
Industrial	Geo. J. Nicholas	1,448,800
Office Buildings	General Atomic Co.	1,913,660
Stores	Saratoga Development	1,700,000
Marine Biology Institution	Scripps Institution of Oceanography	2,601,611
44 Single Homes	American Housing Guild	1,310,490
82 Apartments	American Housing Guild	1,590,000
34 Apartments	Imperial Contractor Co.	2,300,000
106 Apartments	James Simpson	1,930,000
Motel	James Simpson	1,430,000
Stores	PEG Co.	1,500,000

Source: Security Pacific National Bank.

Visitor and Convention Business

Important in San Diego's increased commercial activity has been the growth in visitor and convention business. This industry contributes approximately \$1 million a day to the economy of the area, according to studies by the San Diego Convention and Visitors Bureau.

An excellent climate, proximity to Mexico, exten-

sive Navy facilities, Coronado, and such attractions as the San Diego Zoo, Sea World, San Diego Wild Animal Park, and Cabrillo National Monument are prime tourist attractions. Contributing to the growth of visitor business has been the development of the 4,600-acre Mission Bay Park and the construction of new hotels, motels, and convention facilities at the San Diego Community Concourse.

The justly famous San Diego Zoo has more than 5,000 animals of 1,575 species, comprising one of the world's largest wild animal exhibits. Other attractions in the 1,400-acre Balboa Park are Children's Zoo, the unique Old Globe Theatre, Fine Arts Gallery, Museum of Man, Natural History Museum, Spanish Village Art Center, Balboa Bowl, Balboa Stadium, a \$3 million Planetarium and Scientific Exhibit Hall, and two golf courses. Approximately three million persons visit the Zoo annually.

Sea World, opened in 1964, encompasses 70 acres of bay waters and land area, and represents an investment of \$10 million. Some 1,761,785 visitors were recorded in 1973, a gain of 3.5 percent over 1972. Cabrillo National Monument, located at the most southwesterly point in the United States, hosted 1,362,506 visitors in 1973.

SAN DIEGO CONVENTIONS

	Number of Conventions	Number of Delegates	Estimated Spending
1969	535	397,900	\$59,076,200
1970	531	343,825	51,000,000
1971	573	302,400	44,897,328
1972	602	348,796	55,807,360
1973	631	355,000	56,846,880
1974	771	443,310	79,795,800

Source: San Diego Convention and Visitors Bureau.

Commerce

As the trade and service center of San Diego County, the city accounts for more than 50 percent of total taxable sales in the county. The following summary of taxable sales indicates the annual increases which occurred since 1970, as reported by the State Board of Equalization. Total taxable sales in the city for 1974 increased 11.2 percent over 1973.

CITY OF SAN DIEGO

Summary of Annual Taxable Transactions

1970	\$1,329,262,000
1971	1,469,149,000
1972	1,709,809,000
1973	1,941,781,000
1974	2,159,690,000

Finance

Banking services in the city are provided by Bank of America (29 offices, including five at military installations), the Bank of California, Bank of Montreal-California, The Bank of Tokyo of California, California Canadian Bank, Crocker National Bank, Mexican-American National Bank, Pacific Coast Bank, San Diego Trust and Savings Bank (7 offices), Security Pacific National Bank (6 offices), Southern California First National Bank, Sumitomo Bank of California, Union Bank, United California Bank (3 offices), Wells Fargo Bank, and the Westlands Bank.

Twelve savings and loan associations maintain offices in the city. San Diego-based Imperial Corporation of America is a \$2 billion holding company with savings and loan subsidiaries in Texas, Colorado, Kansas and California.

Total San Diego City bank debits for 1974 were \$57.9 billion, a gain of more than 28 percent over 1973, according to the Federal Reserve Bank of San Francisco.

Transportation

San Diego's natural harbor is one of the finest in the world. The Port of San Diego has been an important source of commerce for the area as shown by the accompanying summary of inbound and outbound shipments through the Port. Total annual tonnage over the piers has virtually doubled since 1965 as shown in Table 14.

San Diego is the terminus of the Atchison, Topeka and Santa Fe Railway route from Los Angeles and San Bernardino. The San Diego and Arizona Eastern Railway, part of the Southern Pacific System, provides freight service to the Imperial Valley and other eastern points.

San Diego has one of the most conveniently located commercial airports in the world. International Airport (Lindbergh Field) is located approximately a mile west of the downtown area, at the edge of San Diego Bay. The facilities are owned and maintained by the San Diego Unified Port District and are leased to commercial airlines and other tenants. San Diego International is California's third most active commercial airport. To provide better service for air travelers, a new \$10,000,000 air terminal has been constructed and a second is planned. The main runway has been extended to handle the largest jetliners. The airport is served by eight scheduled airlines, including Pacific Southwest Airlines (PSA),

SAN DIEGO INTERNATIONAL AIRPORT

Year	Number of Passengers	Pounds of Air Cargo
1960	878,669	9,043,735
1965	1,632,833	13,685,486
1970	3,341,291	38,638,400
1971	3,464,174	37,946,200
1972	3,915,395	39,585,000
1973	4,274,286	43,161,600

Source: San Diego Chamber of Commerce.

which is headquartered at the field. Since 1960, passenger traffic and cargo shipments have greatly increased, as shown above.

San Diego is the western terminus of Interstate Route 8 originating in Savannah, Georgia. The coast highway, Interstate 5, connects San Diego with other major west coast cities. U. S. Highway 395 and Interstate 15 join north of the city to provide an alternate route through Escondido to San Bernardino and Riverside. Interstate 5 is being constructed to full freeway standards (eight lanes) from Tijuana to Orange County while Interstate 8 and 805 are being expanded to six and eight-lane freeways in San Diego County. Interstate 805 will be an express route from Del Mar to the Mexican border, passing west of Montgomery Field (the auxiliary city airport) and east of the city center.

Greyhound and Continental Trailways provide regional and interstate motor transportation. Local

bus service throughout the Greater San Diego Area is provided by the San Diego Transit Corporation, a non-profit corporation formed by the city to acquire the facilities of the previous privately-owned company.

The San Diego Coronado Bay Bridge, opened in 1969, links the City of San Diego with the Coronado Peninsula.

Education

As noted previously, the San Diego Unified School District serves most of the City of San Diego. Portions of the city are within two other unified school districts, four high school districts, and 14 elementary school districts.

Total enrollment for regular schools in San Diego Unified School District as of October 1974 was 123,333, a decrease of 651 students from October 1973. Enrollment in the junior high and high school grades increased, but the elementary school grades reported fewer pupils. Enrollment patterns for recent years are shown in the tabulation on page 36.

Community colleges in California are locally operated and administered two-year institutions beyond high school. They offer the Associate in Arts and Associate in Science degrees and have extensive vocational curricula. The five community colleges in Metropolitan San Diego have a combined enrollment of more than 60,000. They are: San Diego Community Colleges (28,960 students); Grossmont College in El Cajon (12,945); Southwestern College,

Table 14

SAN DIEGO UNIFIED PORT DISTRICT

Marine Commerce

Year Ended June 30	Import	Export	Tons	Total
			Domestic	
1960	104,300	76,428	294,524	475,252
1965	287,452	473,444	191,028	951,924
1970	271,896	648,973	378,981	1,299,850
1971	252,369	626,878	513,598	1,392,845
1972	279,597	346,592	800,635	1,426,824
1973	359,437	447,635	797,098	1,604,170
1974	493,809	694,807	702,815	1,891,431

Source: San Diego Unified Port District.



University of California at San Diego.

Chula Vista (9,482); Palomar, San Marcos (8,751); and Mira Costa, Oceanside (3,643). The San Diego Community Colleges include San Diego City College with campuses downtown and at Miramar, San Diego Mesa College, and San Diego Evening College. Miramar is the only school in the United States specializing in public safety education, offering A.S. degrees in criminal justice and fire science.

There are five four-year institutions of higher education in Metropolitan San Diego: the University of California at San Diego (7,950 students), San Diego State University (29,950), University of San Diego (2,500), United States International University (5,345), and Point Loma College, a newly established institution with enrollment of 1,214 in the 1973/74 school year. These institutions have a

SAN DIEGO UNIFIED SCHOOL DISTRICT

Average Daily Attendance^①

Grades	1970-71	1971-72	1972-73	1973/74	Estimated 1974-75
Elementary	74,964	73,491	71,471	69,715	69,060
Junior High	30,881	30,746	30,532	30,916	31,068
Senior High	26,440	26,922	26,773	26,544	28,247
Small High	716	687	562	166	167
	133,001	131,846	129,338	127,341	128,542

^① Includes summer enrollments.

Source: San Diego Unified School District.

very direct effect in bolstering the local economy through the attraction of research dollars to the area.

San Diego State University offers the bachelor's degree in 54 fields, and the master's degree in 42. There are doctorate programs in chemistry, genetics and ecology at this campus.

The University of California at San Diego offers graduate and undergraduate instruction at three colleges—Revelle College, John Muir College and Third College. The campus serves as headquarters for the University's Institute of Marine Resources and includes the long-established and celebrated Scripps Institution of Oceanography. There is a School of Medicine in the educational complex.

The University of San Diego (Catholic) offers the Master's degree in ten fields and awards the Juris Doctor degree at its School of Law. United States International University operates a law school and a school of the visual and performing arts.

Recreation

The San Diego area's mild, year-round climate and many attractions and recreational features have drawn millions of visitors annually from throughout the nation. Strong action has been taken to exploit

this potential, particularly by the City of San Diego, with the building of the Downtown Community Concourse, the \$6,500,000 Sports Arena, and the \$27,-750,000 San Diego Stadium.

Balboa Park covers 1,400 acres in the center of the city and includes museums, art galleries, theatres and recreation areas, in addition to miles of garden walks. Covering 128 acres within the park is the San Diego Zoo, which has one of the largest collections of wild animals on display in the world. The San Diego Planetarium Authority has also constructed a Planetarium and Hall of Science on a three-acre site in Balboa Park.

Mission Bay is a joint public and private development including hotels and motels, marinas, restaurants and Sea World, which offers performances by whales, porpoises and a variety of sea animals, as well as Japanese pearl divers and hydrofoil rides on Mission Bay.

A major attraction is the proximity to Mexico, where the visitor can attend greyhound and thoroughbred racing, jai alai, and bullfights. Other nearby attractions are the mountain and desert areas of the county.

Sea World and adjoining recreational attractions in Mission Bay Park.



Utilities

The San Diego Gas and Electric Company provides electric power and natural gas in the City of San Diego and other communities in the coastal area of the county. Telephone service is provided by Pacific Telephone Company, which established the San Diego division as a separate operating division to meet increasing demands for service.

Water service is supplied by the City of San Diego. An adequate supplemental water supply is available from the Metropolitan Water District of Southern California via the San Diego County Water Authority. The Metropolitan Sewerage System of the City of San Diego furnishes sewerage service in the city and surrounding developed areas.

Agriculture

San Diego County ranks among the top agricultural counties in the United States. Farm production now exceeds \$230 million yearly, with animal products, vegetables, and fruits forming the bulk of gross value. Eggs, tomatoes, avocados, and milk are the most important agricultural products.

Cultivated acreage in the county amounted to 61,035 acres in 1974. Employment in agriculture ranges between 10,000 and 11,000 persons yearly.

Vegetable crops have experienced the strongest rate of growth in recent years, as shown in Table 15.

General Description of Greater San Diego

Metropolitan San Diego (San Diego County), an important industrial, military, research and oceanographic center, is one of the fastest growing areas of the United States. The Metropolitan Area extends 70 miles along the Pacific Coast from the Mexican border to Orange County. It is bounded on the northeast by Riverside County and extends inland 75 miles to Imperial County. Encompassing 4,255 square miles, the county is approximately the size of the State of Connecticut. The San Diego area is one of the oldest settled sections of the United States. The Bay of San Diego was discovered in 1542 by the Spanish explorer Cabrillo, and in 1769 Father Junipero Serra founded the Mission San Diego de Alcala, the first in the chain of 21 California missions.

Topography varies from broad coastal plains to fertile inland valleys and mountain ranges to the east, rising to an elevation of 6,500 feet. Eastern slopes of these mountains form the rim of the Anza-Borrego Desert and the Imperial Valley. Climate is equable in the coastal and valley regions where most of the population and resources are located. Maximum daily temperatures along the coast average 70.8° and mean temperatures vary only 14° between the warmest and coldest months. Average annual rainfall in the coastal areas is approximately ten inches.

Table 15

SAN DIEGO COUNTY

Gross Value of Agricultural Production

Commodity	1971	1972	1973	1974
Field crops	\$ 1,099,300	\$ 1,126,200	\$ 3,084,800	\$ 2,727,350
Fruits and nuts	38,232,930	40,624,300	56,913,000	54,033,610
Vegetables	33,202,580	35,980,200	41,184,300	60,339,000
Nursery products	27,016,000	31,055,000	37,283,000	40,135,000
Livestock and poultry	11,517,000	14,327,000	10,274,000	9,686,000
Animal products	41,766,000	44,365,000	69,403,000	72,640,000
Apiary	258,820	33,000	1,200,000	300,000
Total	\$153,092,630	\$167,510,700	\$219,342,100	\$239,860,960

Source: County Department of Agriculture, Weights, and Measures.

Impressive growth is evident in the summary of economic indicators in Table 16. Population, employment, and electric power consumption have registered significant gains. Taxable sales and value of manufactures likewise show strong increases.

According to the Economic Research Bureau of San Diego, the four largest industries in the county are manufacturing, the military, tourism, and higher education. The fastest growing is higher education.

Table 16
METROPOLITAN SAN DIEGO
Summary of Selected Economic Indicators
(in thousands)

	1971	1972	1973	1974
Population (July 1)	1,391	1,432	1,469	1,510
Assessed valuation	\$ 3,027,863	\$ 3,482,822	\$ 3,853,613	\$ 4,362,536
Value-All building permits	\$ 785,267	\$ 964,953	\$ 727,669	\$ 633,842
Total taxable sales	\$ 2,777,201	\$ 3,293,149	\$ 3,833,391	\$ 4,296,856
Total civilian employment	453	493	542	558
Value-Manufactured products	\$ 1,710,000	\$ 1,822,000	\$ 2,165,000	\$ 2,446,000
Bank debits	\$37,540,733	\$46,332,449	\$55,564,422	\$69,783,650
Value-Agricultural production	\$ 153,093	\$ 167,511	\$ 219,342	\$ 239,861
Electric consumption (KWH)	6,436,712	7,001,214	7,489,360	7,347,300

Source: San Diego Chamber of Commerce.

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